2014

CITY OF REGINA

GENERAL OPERATING BUDGET

AS APPROVED BY CITY COUNCIL

City of Regina | REGINA
Infinite Horizons

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REGINA
Infinite Horizons | City of Regina

February 4, 2014

To: His Worship the Mayor,
and Members of City Council

Re: 2014 General Operating Budget and Other Funds Budget

Pursuant to Sections 128 of *The Cities Act*, City Council is required to adopt an operating and capital budget. The budgets summarized in this document are the proposed 2014 General Operating Budget and the 2014 Costing Fund Budget. The General Operating Budget for 2014 includes a 4.88% municipal mill rate increase plus an additional 1% dedicated to the renewal of local roads. The 2014 General Operating Budget totals $371 million in expenditures, an increase of $30.3 million or 8.9% over 2013.

The 2014 General Operating Budget reflects City Council's Vision and the *Design Regina* Community Priorities:

Vision:

> **Canada's most vibrant, inclusive, attractive, sustainable community, where people live in harmony and thrive in opportunity.**

Community Priorities:

Develop complete neighbourhoods
Embrace built heritage, and invest in arts, culture, sport and recreation
Support the availability of diverse housing options
Create better, more active ways of getting around
Promote conservation, stewardship and environmental sustainability
Achieve long-term financial viability
Foster economic prosperity
Optimize regional cooperation

Recognizing that the Vision and the OCP provide a 25-year time frame for achievement, the City's strategy for the period 2014-2017 is to build the foundation for sustained growth and achievement of the Community Priorities.

> **Building the Foundation**
> *By 2018, the City of Regina will operate from a position of strength to achieve the Design Regina Community Priorities. The City will be recognized, in particular, for a long term financial sustainability strategy and its increased ability to deliver innovative services in a fiscally responsible manner.*

The budget provides City Council an opportunity to prioritize and invest in those areas that it feels will best address the needs of the community. Regina is experiencing an unprecedented level of growth, which ultimately means a better standard of living for Regina residents. The City of Regina supports

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and actively promotes growth for the city and region. In order to sustain growth, the City must confront challenges in its finances and the state of the assets that deliver services to residents while at the same time respecting the need to minimize the burden on taxpayers. In order to strike the appropriate balance, in 2014 the City is focused on:

- Investing in growth to ensure our strong economy benefits residents now and into the future
- Strengthening the City's finances to better tackle;
    - the challenge of infrastructure renewal and;
    - enhance the sustainability of the services residents' rely on for quality of life.

This approach is reflected in the 2014 general operating budget through:

- Dedication of a one per cent increase in municipal taxes to the repair of residential streets
- Funding for the implementation of the boundary alteration resulting from an agreement with the RM of Sherwood that will add 3,431 hectares of land to the City and support future growth
- Investment in the relationships we are building with the RM of Sherwood and other municipalities surrounding Regina, reflecting the important regional context of our community's growth and success
- Continuation of the Street Infrastructure Renewal Program, improved lights and traffic controls, bridge rehabilitation and water, sewer and drainage projects
- Investment directly in the growth of the community, including new streets and roads, the initiation of construction of the new Wastewater Treatment Plant and continued community investment funding
- Providing value for tax dollars, including maintaining competitive tax rates and maintaining a strong credit rating
- Support to cover inflationary cost increases across the organization
- Resources to improve our operations and efficiency, including investment to recruit and retain talent, renew operational assets, and support public transparency and accountability.

The increase also includes estimated additional costs for wages and benefits totaling $3.4 million. The City is facing the same impacts as other employers from the shortage of labour resulting from demographic trends and the economic growth in Western Canada. These pressures are reflected in the higher labour costs seen in other public sector organizations as well as across the labour market in general.

This budget was developed assuming $39.9 million in funding from the Municipal Operating Grant Program (MOG). This funding will continue to be invested toward supporting the delivery of community programs and services, while addressing the increased costs of community growth.

Many of the City's revenues and expenditures are subject to change due to external influences. Many factors impact revenues and/or expenditures including the weather, the cost of fuel, interest rates, gas rates and electrical rates. There could be positive or negative variances in 2014 due to these factors.

To continue to deliver programs and services in support of Regina's growth, while making progress on our vision, the City of Regina is recommending a 4.88% increase in the mill rate in 2014, with an additional 1% dedicated to the renewal of local roads. The budget reflects a balanced approach to addressing the demands of a growing economy and continuing to provide the services that contribute to the quality of life of Regina residents.

Respectfully submitted,

GBDavies

Glen B. Davies
Chief Administrative Officer & City Manager

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Introduction

Budget Overview

The 2014 General Operating Budget recommends a 4.88% mill rate increase plus an additional 1% dedicated to the rehabilitation of local roads. The 2014 General Operating Budget totals $371 million in expenditures, an increase of $30.3 million or 8.9% over 2013.

The budget provides City Council an opportunity to prioritize and invest in those areas that it feels will best address the needs of the community. The budget continues to be guided by the City's Vision, with the added context of the *Design Regina* Community Priorities and newly approved Official Community Plan (OCP), a policy and land-use plan that will guide the growth of the city to a population of 300,000.

Vision:
Canada's most vibrant, inclusive, attractive, sustainable community, where people live in harmony and thrive in opportunity.

***Design Regina* Community Priorities:**

Develop complete neighbourhoods
Embrace built heritage, and invest in arts, culture, sport and recreation
Support the availability of diverse housing options
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- Investing in growth to ensure our strong economy benefits residents now and into the future
- Strengthening the City's finances to:
    - Tackle the challenge of infrastructure renewal and,
    - Enhance the sustainability of the services residents' rely on for quality of life.

This approach is reflected in the 2014 general operating budget through:

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- Continuation of the Street Infrastructure Renewal Program, improved lights and traffic controls, bridge rehabilitation and water, sewer and drainage projects

- Investment directly in the growth of the community, including new streets and roads, the initiation of construction of the new Wastewater Treatment Plant and continued community investment funding

- Providing value for tax dollars, including maintaining competitive tax rates and maintaining a strong credit rating

- Support to cover inflationary cost increases across the organization

- Resources to improve our operations and efficiency, including investment to recruit and retain talent, renew operational assets, and support public transparency and accountability.

The increase also includes estimated additional costs for wages and benefits totaling $3.4 million. The City is facing the same impacts as other employers from the shortage of labour resulting from demographic trends and the economic growth in Western Canada. These pressures are reflected in the higher labour costs seen in other public sector organizations as well as across the labour market in general.

This budget was developed assuming $39.9 million in funding from the Province of Saskatchewan Revenue Sharing Grant (formerly known as the Municipal Operating Grant Program or "MOG"). This represents a decrease from 2013 of $880 thousand, resulting from a change in how the Province of Saskatchewan calculates Provincial Sales Tax revenue. In contrast, since 2011 the City of Regina's revenue sharing allocation has grown each year, ensuring that Regina residents can benefit from Saskatchewan's strong economy.

The 2014 budget for the Board of Police Commissioners is $73 million, an increase of $3.8 million or 5.6% over the 2013 budget. In addition, a capital contribution for the Board of Police Commissioners for 2014 of $2 million has been included in the General Operating Budget.

Many of the City's revenues and expenditures are subject to change due to external influences. Many factors impact revenues and/or expenditures including the weather, the cost of fuel, interest rates, gas rates and electrical rates. There could be positive or negative variances in 2014 due to these factors.

To continue to deliver programs and services in support of Regina's growth, while making progress on our vision, the City of Regina is recommending a 4.88% increase in the mill rate in 2014, with an additional 1% increase in the mill rate dedicated to the renewal of residential roads. The budget reflects a balanced approach to addressing the strategic priorities.

Strategic Context for the 2014 Budget

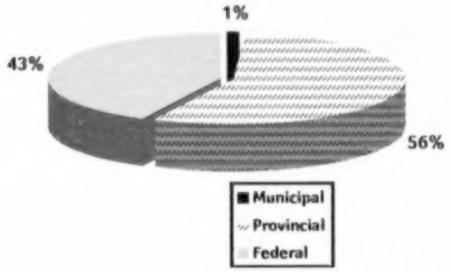
The City of Regina is committed to strategic planning as a means to design and execute action plans that will help us achieve ambitious near, medium and long-term goals. Strategy is the integrated set of choices that positions the City to act sustainably, and to provide those services that are vital to the quality of life of its citizens. Strategic planning drives the prioritization and decision making critical to the City's budget, business planning, and the services we deliver to residents.

Regina is experiencing an unprecedented level of growth, and all indicators suggest that this growth will continue in 2014. Growth in the economy and population of the city ultimately means a better standard of living for Regina residents. The opportunities presented by growth are central to the City's development of a new Official Community Plan (OCP) for Regina, which was approved by Council in 2013. *Design Regina* articulates a 25-year Vision and Community Priorities, and sets out policies that will support and guide Regina's growth to a population of 300,000. Over the next four years the City of Regina's strategy is focused on building the foundation for sustained growth and achievement of the *Design Regina* Community Priorities.

> ***Building the Foundation***
> *By 2018, the City of Regina will operate from a position of strength to achieve the Design Regina Community Priorities. The City will be recognized, in particular, for a long term financial sustainability strategy and its increased ability to deliver innovative services in a fiscally responsible manner.*

The City of Regina supports and actively promotes growth for the city and region. In order to sustain growth, the City must confront challenges in its finances and the state of the assets that deliver services to residents. The reality is that the rapid and extended period of growth the community has experienced has coincided with a period of steep inflation in the costs of materials and other goods the City requires, and decreased investment, particularly in capital infrastructure, from other levels of government. Furthermore, the City has limited sources of revenue to fund the new and renewed infrastructure and services our growing population requires. One of the main revenue tools the City relies on are property taxes, which don't grow with the economy like tax tools used by other levels of government.

Real per capita revenue growth 1990-2007



Until recently the City has relied on excess capacity in infrastructure developed in the 1970s to accommodate a growing population, and has deferred maintenance and renewal in order to continue to deliver services while keeping property taxes low. We have now reached the limits of what that infrastructure can bear and new investment will be required to both maintain service to current residents, and to allow Regina to grow to the next level. The City of Regina has more than $2 billion of backlog in work needed just to repair or replace our aging infrastructure.

Ultimately, building the foundation for sustained growth and prosperity means that citizens, elected officials, and Administration alike will have to work together to agree on sustainable financial models to ensure both services and the assets that deliver them receive appropriate levels of investment.

2014 Budget Process

Budgets support and define the City's priorities. The process to develop the budget always involves difficult choices, but even more so as the City of Regina faces expenditure growth that far outstrips revenues, and a growing infrastructure gap. The City of Regina's strategy, focused on building the foundation for sustained growth and achievement of the *Design Regina* Community Priorities, combined with the constrained resource picture projected for 2014, drives choices in the 2014 Budget.

The approach to developing the 2014 Budget focused first on containing costs. Other than adding services or improving service levels, costs for the City can increase for two reasons:

- Providing the same service to more people because of population growth
- Inflation

Therefore, to better evaluate and control costs in the 2014 Budget, the City set a restriction on cost escalations for ongoing service equivalent to inflation plus population growth. Regina's population has been growing at a steady rate of about 2% per year.

To measure inflation, the City uses the Municipal Price Index (MPI). The MPI, based on a "basket of goods" relevant to municipalities, is now being measured across Canada. The City of Regina's "basket of goods" combined with inflation information obtained from the Conference Board of Canada results in an MPI of 3.44% for 2014, roughly equivalent to an increase of $7.5 million over the 2013 General Operating costs. This level of inflation is a significant pressure for the City: if that escalation in costs was to be fully funded by property owners, it would represent a 2014 mill rate increase of close to 7% just to deliver exactly the same programs and services.

Population growth and inflation (MPI) result in a targeted restriction on cost escalations for ongoing services of 5.44%.

By evaluating budget proposals based on this target, the City identified where increased funding was required for ongoing programs and services due to cost escalations beyond their control. Also analyzed was historical spending to ensure that program budgets accurately reflected the expenses required to deliver the program. Additional challenges included the annualization of the recycling program, capital pressures like the replacement of the civic and police radio system and the implementation of boundary alteration. Finally, Council considered a limited number of new or one-time initiatives directed at improving or introducing services that are of high priority for citizens such as residential roadways renewal. The following criteria were used to prioritize expenditures:

- Maintain existing services
- Expand existing services to new areas of Regina
- Support the challenges of aging infrastructure
- Minimize the burden on taxpayers

Once the requirements for continuing to deliver the same level of service were understood and new expenditures were prioritized, the City identified areas where service levels (and their associated costs) could be reduced or additional revenues could be generated. Through numerous iterations, the final proposed budget was developed.

2014 General Operating Expenditures

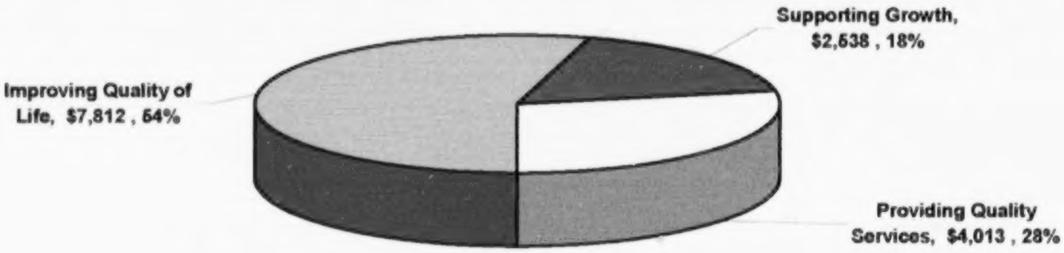
In the 2014 operating budget the need to support and invest in the City's unprecedented growth continues to be a focus. A growing population with a larger infrastructure results in more winter road maintenance, increased garbage collection and more citizens to serve on a daily basis. We need to make budget decisions to address these pressures while minimizing the burden to taxpayers.

Using the above investment criteria has allowed the City to prioritize and invest in those areas that address the needs of the community. Any increases in expenditures have been categorized into three broad service provision themes.

- Improving Quality of Life
- Supporting Growth
- Providing Quality Services

New ongoing and one-time funding increases total $14.3 million in 2014. The allocation between the three service themes are shown in the chart below.

New 2014 General Operating Expenditures by theme - (000$)



Approximately 54% of the new expenditures are directed to delivering services that improve the quality of life with a further 27% of the total allocated to providing quality services. Significant program initiatives include the annualization of the cost of implementing Waste Plan Regina which includes provision of property-site recycling, bulky waste pick up and yard and leaf waste collection to 65 thousand residences. The City is increasing capital funding sourced from operations by $4.37 million. In addition a mill rate increase of 1% or $1.7 million has been dedicated to improving local roads. $726,400 has been added to implement the alteration of Regina's boundary and $378,200 has been added to optimize regional economic growth opportunities. Regina Revitalization Initiative includes a plan to redevelop two large areas of land in Regina's inner-city in addition to the replacement of Mosaic Stadium.

Improving Quality of Life

The City provides many services that make Regina a great place to live. These services include operating public transit, maintaining city parks, managing waste and providing sports, culture and recreation facilities.

The 2014 General Operating Budget includes additional funding for the following items on an ongoing basis, related to Improving Quality of Life.

Description	2014 Cost	Full Time Equivalent Positions Total	Casual	Permanent
Increased Operating Contribution to the General Capital Program	2,991,850			
Local road Improvement Program - Dedicated 1% Mill Rate Increase	1,704,600			
Stadium Project - Dedicated 0.45% Mill Rate Increase	767,050			
Community Investment - Wascana Centre Authority	368,000			
Comprehensive Housing Strategy Implementation	212,900	2.00		2.00
Allocated Fleet Costs - Replacement Parts for Transit Buses	150,000			
Community Investment - RCMP Heritage Centre	100,000			
Parking Meter Rate Increase Implementation Costs	67,200	1.00		1.00
Incremental Cost to legal services to the Regina Police Service.	65,800	1.00		1.00
	6,427,400	4.00	0.00	4.00

The 2014 General Operating Budget includes additional funding for the following items on a one-time basis, related to Improving Quality of Life

Description	2014 Cost	Full Time Equivalent Positions Total	Casual	Permanent
North American Indigenous Games - Staff Costs & City Services	95,100			
Incremetal Costs for RRI Office Staff	373,200			
Community Investment - North American Indigenous Games	250,000			
Community Investment - Wascana Centre Authority - 2014 Capital Program	270,000			
Community Investment - Regina Regional Opportunities Commission	200,000			
Parking Meter Rate Increase Implementation Costs	166,100			
Consulting Costs re: Sale of Greenhouse Gas Credits	30,000			
	1,384,400	0.00	0.00	0.00

Supporting Growth

With a strong economy and high quality of life, Regina is attracting thousands of new residents and growing rapidly. Along with providing additional streets and expanding our services to new areas, we are also managing our growth through careful planning and extensive development.

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The 2014 General Operating Budget includes additional funding for the following items on an ongoing basis, related to Supporting Growth.

Description	2014 Cost	Full Time Equivalent Positions Total	Casual	Permanent
Strategy for Optimizing Regional Economic Growth Opportunities	378,200	3.00		3.00
Building Standards Branch Staff	292,600	4.00		4.00
Concrete Services	276,600	3.00	3.00	
Costs associated with Boundary Alteration Implementation	258,400	2.80	0.48	2.32
New Open Space	208,000	2.56	1.56	1.00
Asphalt Maintenance Increase	137,000	2.00		2.00
Infill Inspector	78,600	1.00		1.00
Development Control Officer	61,900	1.00		1.00
Bylaw Standards Officer	61,500	1.00		1.00
Boundary Alterations - ByLaw Enforcement	37,500	0.50		0.50
Roads - Cost Increase due to Growth	36,200			
Street Sweeping Increase due to Growth	22,200	0.30	0.30	
Sidewalk Maintenance - Increased Costs Due to Growth	9,200			
	1,857,900	21.16	5.34	15.82

The 2014 General Operating Budget includes additional funding for the following items on a one-time basis related to Supporting Growth.

Description	One-time 2014 Cost	Full Time Equivalent Positions Total	Casual	Permanent
Boundary Alterations - Consulting, Utility Locates, Air Photos and Other costs	430,500			
SAF Major Policy Review & Downtown Development Levy	250,000			
	680,500	0.00	0.00	0.00

Providing Quality Services

The City of Regina is invested in delivering quality services to a growing community through the judicious addition of additional resources.

The 2014 General Operating Budget includes additional funding for the following items on an ongoing basis, related to Providing Quality Services

Description	2014 Cost	Full Time Equivalent Positions Total	Casual	Permanent
Annualization of Recycling	3,168,200			
Waste Plan Regina Communications	200,000			
Coordinator - Maintenenace	94,400	1.00		1.00
HVAC Specialist	85,700	1.00		1.00
Fleet Training Officer	76,900	1.00		1.00
Programmer Analyst II	75,600	1.00		1.00
Policy & Procedure Analyst	75,100	1.00		1.00
Building Services Analyst	65,200	1.00		1.00
Waste Plan Regina - Billing Staff	53,000	1.00		1.00
Licensing Officer	45,300	1.00		1.00
Senior Procurement Officer	31,300	-		-
Coordinator Business Systems Administration	18,400	1.00		1.00
Senior Assessment Appraiser	14,400	(0.50)		(0.50)
Maintenance of New Landfill Facilities	9,600	0.10	0.10	-
	4,013,100	8.60	0.10	8.50

Municipal Revenues

Regina saw a significant improvement toward stabilizing its revenue streams in 2010, with the establishment of the Municipal Operating Grant program from the provincial government. This program was developed in consultation with both urban and rural municipalities, and reflects a more predictable and sustainable revenue stream that is linked to the economic growth of the Province. This program is based on municipalities receiving a grant equivalent to 1/5 of provincial PST revenues, and increasing or decreasing based on annual changes in this source of provincial revenue. Of the total municipal pool, cities receive a 46% share, which is at the low end of the negotiated range of between 46% and 50% of the pool of funding. Currently, Saskatchewan cities represent approximately 55% of the total provincial population and continue to see growth from provincial in-migration. 2014 will see a decrease in revenue sharing with Saskatchewan municipalities for the first time since 2010, resulting from a change in how the Province of Saskatchewan calculates PST revenues.

Reliance on Property Taxes

While the change in provincial funding in 2010 represents a very positive step forward for the City of Regina and other Saskatchewan municipalities, a significant reliance on property taxes still limits the ability to deal with a growing community and address the ever-widening infrastructure gap.

Municipalities have little taxing authority except by way of property taxes. Because of social changes over the last half century, property taxes no longer fairly distribute the cost and value of municipal services. They are also not responsive to economic growth and therefore, in such times, inadequately support growth.

Historically, an aspect of property taxes that has been considered an advantage is that they are not subject to peaks and valleys of the economy (as would, for example, sales taxes). They are a relatively stable form of taxation. Although property taxes are based on the market value of a property, when that market value increases, it doesn't necessarily result in property tax increases. Rather, market value only influences how much property tax a given property will pay relative to another property. Reassessment is a zero sum exercise – the total property tax collected remains the same. It is simply redistributed based on shifting market values. Some taxes will go up, but others will go down. Revenues from property taxes increase under only two circumstances:

1. A decision by City Council to raise the mill rate
2. Additional properties are added to the assessment inventory – however revenues from this source are accompanied by increased costs to deliver more services.

Citizens perceive property tax increases to be similar to, for example, increases to the Provincial Sales Tax (PST; e.g. changing it from 5% to 6%). However, in the case of PST, the revenues for government rise simply because prices on consumer goods rise or incomes rise, generating more spending. Taxes tied to the economy grow with the economy. Property taxes do not grow relative to the economy and therefore tax increases must be imposed to deliver the same level of service.

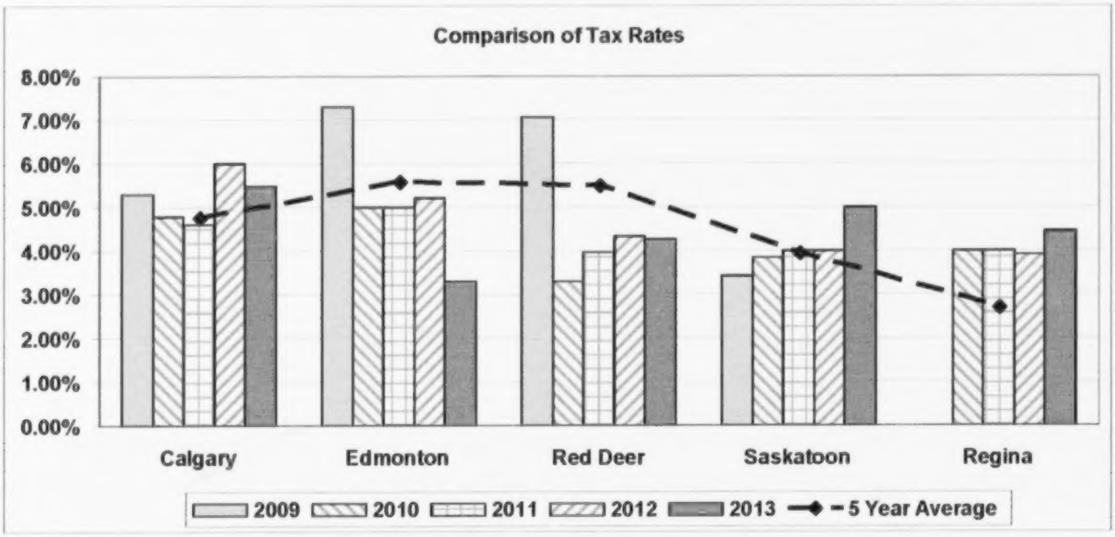
A corollary issue is that property taxes may not adequately recognize a property owner's ability to pay. This is particularly problematic for people who are on fixed incomes and whose property values are escalating relative to others in their city. This inability to adjust to owners' ability to pay can lead to perceptions of inequity and unfairness when property tax increases are imposed.

As Regina continues to grow, and replacement of aging infrastructure requires an ever-larger allocation of revenue, it is important that all levels of government work together to address the needs of cities and their residents.

Competitiveness of Regina's Municipal Taxes

Regina has made significant strides in increasing the competitiveness of its municipal tax bill for both residential and commercial properties.

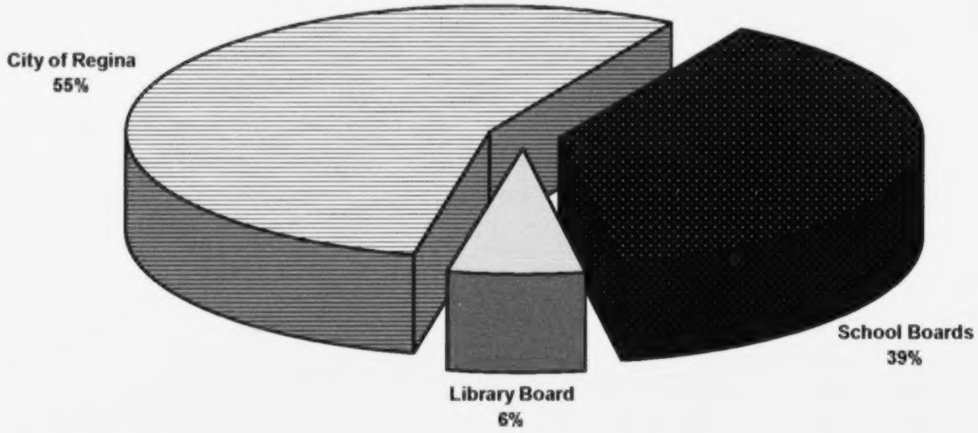
Despite this progress, the City continues to face challenges with respect to perceptions about the level of property taxes in Regina as compared to other cities. In a comparison against four other prairie cities for the period 2009-2013, the City of Regina average property tax increase was lowest at just 2.71%. This compares to Edmonton's average at 5.58%.



Another challenge is the relative share of education funding on the property tax base. Historically, Saskatchewan has had relatively high levels of education tax compared to other provinces. This tax revenue is collected on the municipal property tax bill but is not levied or used by the City of Regina.

The graph below shows the distribution of property taxes in Regina for 2013.

Distribution of Property Taxes – 2013



Electrical and Natural Gas Revenues

External revenues such as gas and electrical revenues account for about 10.7% of total revenues. The City has no control over these revenues as the Province also sets gas and electrical rates. These rates are the major determinant in the level of gas and electrical revenues received by the City. While recent rate increases have added to City revenues, the markets are extremely volatile, and rate increases raise the costs for residents and businesses in Regina. For 2014, electrical and natural gas revenues are projected to increase by about $300 thousand.

Licences and Levies

Under the provisions of The Cities Act, the City is limited to charging licence fees only to the extent that the fees cover costs. Licence fee increases, such as those approved for business licences in 2007 and animal control effective December 1, 2010 have been important in providing revenues to cover the costs of administering the licence regime. But these revenues are not available to be used for other sources.

Provincial and Federal Operating Grants

Operating grants from the Provincial and Federal Governments account for 13% of 2014 revenues. Efforts of organizations such as the Federation of Canadian Municipalities, the Conference Board of Canada and the Canada West Foundation have helped to inform and advance recognition of the need for strategic investment in cities so they can fulfil their potential as engines of sustainable national growth. Federal capital programs such as the gas tax funding are providing much needed assistance to the City in addressing infrastructure requirements.

This year, the Province of Saskatchewan's Revenue Sharing Grant, formerly known as the Municipal Operating Grant, is expected to provide $39.9 million in funding for operating costs for the City of Regina.

This is a decrease of $880 thousand from 2013 funding levels, resulting from a change in how the Province calculates provincial sales tax revenue. Without the change in the formula, the City estimates it would have received $42.5 million in 2014.

For the 2014 Capital Program the City will receive $10.9 million from the Federal Government as a share of Gas Tax revenues and $6.5 million from the Province of Saskatchewan under the Urban Highway Connector Program.

Expenditure Challenges

The City of Regina's costs are rising faster than its revenues. The City has identified a significant gap between the services it has the financial capacity to deliver, and citizens' expectations. Each year the budget process challenges the City to confront significant expenditure pressures, while maintaining and even enhancing service levels, and minimizing the tax burden on residents. In 2014 some of the more significant expenditure challenges for the City include:

- **Growth in the Community**. New properties being added to the assessment pool increase the City's property tax revenue; however this growth also comes with service obligations such as garbage collection, winter road maintenance, fire and police service and park maintenance. These service obligations can only be absorbed up to a point, but eventually service costs must increase substantially – for example, a new garbage route needs to be added, with new equipment and additional personnel. Generally these escalations occur in a repeating cycle where growth costs escalate slowly for a few years, and then jump in a larger step. In 2011 a significant jump in costs occurred. In that year, growth related costs grew by $4.7 million, while property tax revenues grew by only $2.6 million. Over time such jumps mean that on average property taxes do not cover the costs associated with growth.

- **There continues to be a significant "infrastructure gap".** As outlined in the 2014-2018 General Capital Investment Program document, the City has identified a significant funding shortfall in its infrastructure requirements over the next ten years. Continuing delays in addressing the infrastructure gap will cause that gap to continue to grow. The infrastructure gap only looks at the need to renew and replace existing infrastructure, however capital requirements from growth, in particular the need for road network improvements, also have an impact on the budget. Furthermore, maintenance and renewal of growth related infrastructure is typically unfunded in annual budgets due to more urgent needs, resulting in an increase in the backlog of infrastructure work the City must eventually tackle.

- **Increasing the contribution to the capital budget.** Since 2011 the City of Regina has been strategically growing its annual Current Contribution to Capital (the dollars from the General Operating Budget that are used to support capital renewal) to offset the loss of investment from other orders of government. Between 2010 and 2013, the City's contribution to capital renewal grew by 81.9%. In 2014, the Current Contribution is $31.4 M, an increase of $6.1 M over 2013.

- **Increases in the price of fuel, asphalt, electricity and construction and engineering services** have exceeded the general inflation rate. Based on the total basket of goods relevant to the City, Regina's Municipal Price Index for 2014 is estimated at 3.44%, roughly equivalent to an increase of $11.7 million over the 2013 General Operating Budget.

- **The approval of the new Official Community Plan (OCP), *Design Regina.*** *Design Regina* sets out priorities and guidelines for growth of the city to a population of 300,000. To be successful in achieving its 25-year vision, the City needs to invest in building the foundational elements of implementing the plan, such as understanding options for the phasing and financing of growth within the context of a long-term financial model, developing a strategy for intensification of the existing city, and ensuring that both employees and residents are engaged in addressing current challenges.

- **Overall, the community supports the level of most City services and has a high rating for the services provided.** ***(2011 citizen satisfaction survey)*** **Regardless of these ratings, there are two realities the City faces:**

  - On those occasions when the City considers the elimination or a reduction in an existing service level, there is typically a segment of the community opposed to the change.

  - Some in the community are of the view that expenditures can be reduced. However, most individuals or groups do not support the resulting reductions in service levels. All those in the community do not use every service provided by the City, but all services are used by a segment of the community.

- **Maintaining current service levels.** In 2014 the City has faced some significant cost pressures related to maintaining existing programs and services. Funding is required to replace the civic and police radio system, which has become obsolete. The new curbside recycling program, which ran for just six months in 2013, requires a full year of funding in 2014. Boundary alterations in 2013 meant that the area of coverage for basic services such as garbage collection and winter road maintenance expanded significantly.

- **Many local arts, cultural, sporting, community and charitable organizations are faced with fiscal pressures.** There has been an increase in the number of organizations seeking support through tax exemptions or capital or operating grants. The City of Regina is a major partner in the creation of the new North Central Shared Facility, which will provide critical youth and family services, including education, childcare, health care, and community development. Events like the 2013 Grey Cup and the 2014 North American Indigenous Games consume significant City of Regina resources, in the interests of bringing major national and international events to Regina and profiling our vibrant community and strong economy.

- **Increases in salary and benefit costs.** The City is facing the same impacts as other employers from the shortage of labour resulting from demographic trends and the economic growth in Western Canada. These pressures will be reflected in the higher labour costs seen in other public sector organizations as well as across the labour market in general.

- **The City has significant unfunded liabilities for vested sick leave, accumulated vacation credits, service pay and banked overtime**. At the end of 2013, the liabilities for these costs were estimated at $34 million. As a growing proportion of the City's workforce reaches retirement age, the cash flows required to pay off this liability will continue to grow. Demographic trends indicate there will be a significant cash flow impact over the next few years. Although the City was successful in negotiating changes for both sick leave and vacation accumulation in 2013, those changes will not affect the bottom-line for a number of years.

- **The City has significant unfunded liabilities for pension and benefit plans**. The City is not required pursuant to accounting standards to account for a liability with respect to multiple employer pension and benefit plans such as the Civic Pension Plan and the Long Term Disability Plan, however, the liability is significant. The employers'contribution was increased in 2010 to meet existing liabilities following a significant drop in financial markets since 2008. These rates remain relatively high and contribute to pressures both in terms of contribution costs and in the recruitment and retention of employees.

Budget Options

Faced with a gap in revenues and expenditures, there are limited long-term options for City Council. These include:

- **Increase the revenue generated**
    - Charge more using current mechanisms such as property taxes and fees
    - Develop new or expanded mechanisms that allow the burden of service costs to be allocated more broadly (e.g. to visitors to the City; to non-resident commuters; etc.)
    - Secure more funding from other levels of government
- **Decrease expenditures** through one or more of the following approaches:
    - Eliminate a service or reduce the level of service provided.
    - Reduce the cost of providing the service, either through reducing the costs of wages, goods and services to deliver the service, or through considering alternative service delivery, including contracting with external parties to provide the service.
    - Reduce the current contribution to capital, using debt for capital projects with long-term benefits so that the benefit and cost is shared over the long term.

Over the past number of years, the City of Regina, along with the other cities in the province, has requested authority for alternative revenue sources. Potential new revenue sources are a local fuel tax, expanding business licensing to commercial business, a local vehicle registration surcharge, a land transfer tax, a hotel tax and a local sales tax. Cities in other provinces have pursued new revenue sources. Implementation of such authority would require legislative change.

City Council has limited choices, other than through an increase in the mill rate to generate additional revenue. For many revenue sources, City Council has no control over the revenue generated.

City Council does have a choice to reduce expenditures. There are, however, certain realities to consider:

- A reduction in expenditures will result in either a reduction in direct services to the public, or a reduction in activities that support the provision of services to the public.
- A reduction in expenditures will in most instances lead to a reduction in staff. Salaries and benefits are the largest portion of the operating and capital budgets.

If there are significant expenditure reductions to be made, it will take time (and some cost) to implement the reductions. There is likely a period of six to twelve months before the full benefit of expenditure reductions would be achieved.

The City of Regina has made significant effort to minimize pressure on tax and fee payers by finding and implementing efficiencies. The Core Services Review in 2005 led to recommendations for 61 service area improvements, which over time have saved the City in excess of $8.5 million. Since the Core Services Review an additional 323 efficiencies have been implemented. Of those, only 142 (44.0%) have been fully costed but those are estimated to have generated $9.5 million in annual savings and an additional $9.2 million in one-time savings. These savings have been reallocated to better resource other work delivered by the City. Had these efficiencies not been found and implemented, we would expect that:

- Costs to citizens would have increased by a similar amount, or

- Service levels to citizens would have decreased to reduce costs, or
- Some combination of the above would have occurred.

Budget Risks

It is important that budget choices are sustainable. From a fiscal perspective, the key consideration for City Council is the extent that the budgets are funding ongoing expenditures with ongoing revenues, and matching one-time or limited term expenditures with one-time revenues or funding sources. To the extent that budgets do not fully fund planned expenditures, or ongoing expenditures are being funded with one-time revenues, Council is shifting the budget burden to future years.

There are budget risks for 2014. These include:

- Many of the City's revenues and expenditures are subject to change due to external influences. Many factors impact revenues and/or expenditures including the weather, the cost of fuel, interest rates, gas rates and electrical rates. There could be positive or negative variances in 2014 due to these factors.
- There is some risk that assessment appeals will reduce actual tax revenue during 2014.
- Inflationary pressures for municipalities vary considerably from what Canadians think of as the traditional inflation rate (changes to the Consumer Price Index). A large proportion of municipal expenditures are for trades and construction work. Because of the economic strength both in Saskatchewan and the rest of Western Canada, these costs are rising considerably faster than the traditional inflation rate. Many municipalities are now working to develop a systematic way to assess and quantify the inflationary pressures they face. The Municipal Price Index (MPI), based on a "basket of goods" relevant to municipalities, is now being measured across Canada. For Regina, the forecast 2014 MPI is 3.44% compared to the 2013 CPI of 2.5% The difference in these two rates of inflation may undermine the spending power in the City's budget.
- The City has significant unfunded liabilities for sick leave and vacation which are payable upon termination of an employee. These amounts are not budgeted for and are typically covered through savings from staffing vacancies.

Financial Policies and Performance Measures

Municipal governments do not exist to make a profit, but to provide services to citizens. However, budgets should be evaluated to a certain extent with regard to the impact they have on the government's financial condition.

Specific financial performance measures for governments have not yet been fully developed. However, the Public Sector Accounting Board has begun to develop guidelines that citizens can use to evaluate their government's financial position. The following information reflects the Statement of Recommended Practices. These measures are reported in the City's annual consolidated financial statements.

For governments, financial condition can be evaluted based on three factors:

Sustainability

> Sustainability is the degree to which a government can maintain its existing financial obligations both in respect of its service commitments to the public and financial commitments to creditors, employees and others without increasing the relative debt or **tax burden** on the economy within which it operates.

Measures of sustainability include ratios such as:

- assets to liabilities
- financial assets-to-liabilities
- net debt to total annual revenue

Municipalities typically address strategies regarding sustainability through debt policy, including maximum ratios for debt servicing costs as a percentage of operating revenues and per capita debt levels.

Flexibility

> Flexibility is the degree to which a government can change its debt or tax burden on the economy within which it operates to meet its existing financial obligations both in respect of its service commitments to the public and financial commitments to creditors, employees and others.

Measures of flexibility include the following ratios such as:

- Debt charges-to-revenues
- Net book value of capital assets-to-cost of capital assets
- Own source revenues to taxable assessment

General-purpose reserves – that is, those not linked to specific future needs – are the primary tool that municipalities use to be prepared for unforeseen circumstances and to take advantage of opportunities.

Vulnerability

> Vulnerability is the degree to which a government is dependent on sources of funding outside its control or influence or is exposed to risks that could impair its ability to meet its existing financial obligations both in respect of its service commitments to the public and financial commitments to creditors, employees and others.

One measure of vulnerability is the ratio of revenues from other orders of government to a City's own-source revenues. Others would take into consideration significant operating revenues from single sources, such as one taxpayer that makes up a significant portion of a municipality's revenues.

A strategy to reduce vulnerability would be the diversification of revenue sources. While municipalities can do this to a certain extent by attempting to draw diverse businesses, the current limitations on alternative sources of revenue reduce the viability of such a strategy and have the impact of increasing the dependency on revenues from other orders of government and property taxes.

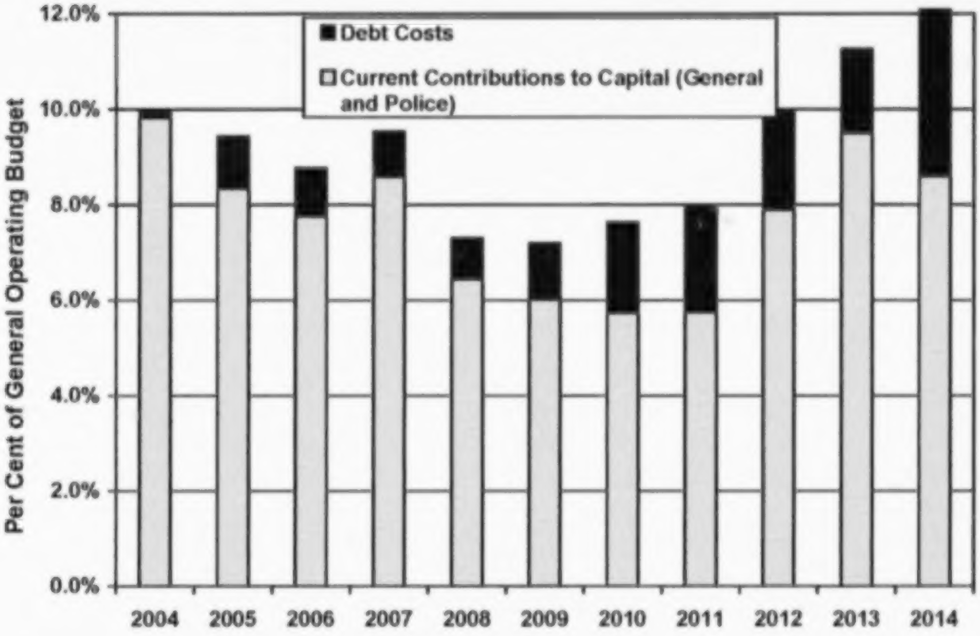
Long Term Financial Planning

During 2014, the Administration will continue to develop, for consideration by City Council, future financial plans which will assist in identifying specific areas of concern, best practices, and recommended policies, particularly those relating to the financial performance measures described above. Although work on all aspects of these plans are not yet complete, there are three areas for which some analysis is available:

Capital Requirements

The following graph shows the annual contribution to capital from the operating budget since 2004. It is clear that the challenge of providing capital from operating revenues has been difficult and will continue to be difficult.

Capital Funding From Current Operations – 2004 to 2014
(Per Cent of General Operating Budget)

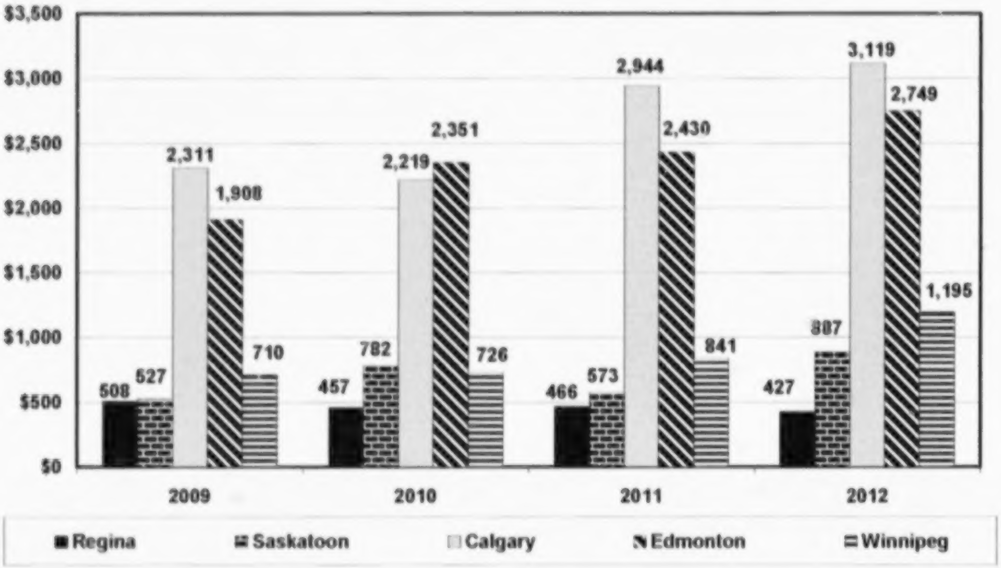


Debt Levels

Low debt levels provide flexibility and reduce vulnerability for a municipality. However, a municipality limited to strictly pay as you go financing for capital projects will be challenged to maintain sustainability, as it is difficult to raise sufficient funds in advance of requirements for infrastructure. The use of debt, like a mortgage, can allow a municipality to spread out the cost of capital investments over the period of benefit. Regina has relatively low levels of debt compared to other cities. With relatively low interest rates, more municipalities are increasing the use of debt as a method of financing infrastructure requirements.

The following chart shows the per capita debt comparisons to other Cities for the years 2009 to 2012.

Regina's Debt Levels – Comparisons to Other Cities



Reserve Levels

The projected 2014 ending balance in the General Fund Reserve is $18.9 million.

The next table is a summary of the City's reserve balances for the last five years.

	2010	2011	2012	2013	Budget 2014
General Reserves:					
General Fund Reserve	31,753	35,946	36,530	28,600	18,900
General Utility Reserve	61,907	49,292	63,026	82,786	45,865
Subtotal	93,660	85,238	99,556	111,386	64,765
Specific Purpose Reserves:					
Land Development Reserve	-	8,363	6,496	16,513	313
Landfill Reserve	17,102	10,751	18,318	19,878	18,501
Winter Road Maintenance Reserve	3,426	3,523	3,523	3,523	3,523
Other Reserves	9,556	16,402	24,465	22,201	32,858
Subtotal	30,084	39,039	52,802	62,115	55,195
Reserve Totals	123,744	124,277	152,358	173,501	119,960

The growth and draw in the Utility, Landfill, and Land Development reserves in the past three years, reflects the planned approach to providing for future capital requirements. The 2014 – 2018 General Capital Budget reflects significant capital funding to be provided from reserves to fund required infrastructure investment.

Conclusion

The 2014 General Operating Budget provides funding to make progress towards the City's 25 year Vision and the *Design Regina* Community Priorities.

Vision:

Canada's most vibrant, inclusive, attractive, sustainable community, where people live in harmony and thrive in opportunity.

Community Priorities:

- Develop complete neighbourhoods
- Embrace built heritage, and invest in arts, culture, sport and recreation
- Support the availability of diverse housing options
- Create better, more active ways of getting around
- Promote conservation, stewardship and environmental sustainability
- Achieve long-term financial viability
- Foster economic prosperity
- Optimize regional cooperation

Recognizing that the Vision and the OCP provide a 25-year time frame for achievement, the City's strategy for the period 2014-2017 is to build the foundation for sustained growth and achievement of the Community Priorities.

> ***Building the Foundation***
> *By 2018, the City of Regina will operate from a position of strength to achieve the Design Regina Community Priorities. The City will be recognized, in particular, for a long term financial sustainability strategy and its increased ability to deliver innovative services in a fiscally responsible manner.*

The 2014 budget balances the need to address the opportunities and challenges presented by rapid economic growth against the challenges of a significant backlog in our infrastructure renewal and replacement and the expectations of residents that service levels be maintained and enhanced.

To continue to deliver programs and services through this growth period, while making progress on our vision, the City of Regina is implementing a 4.88% increase in the mill rate, with an additional 1% dedicated to the renewal of local roadways.

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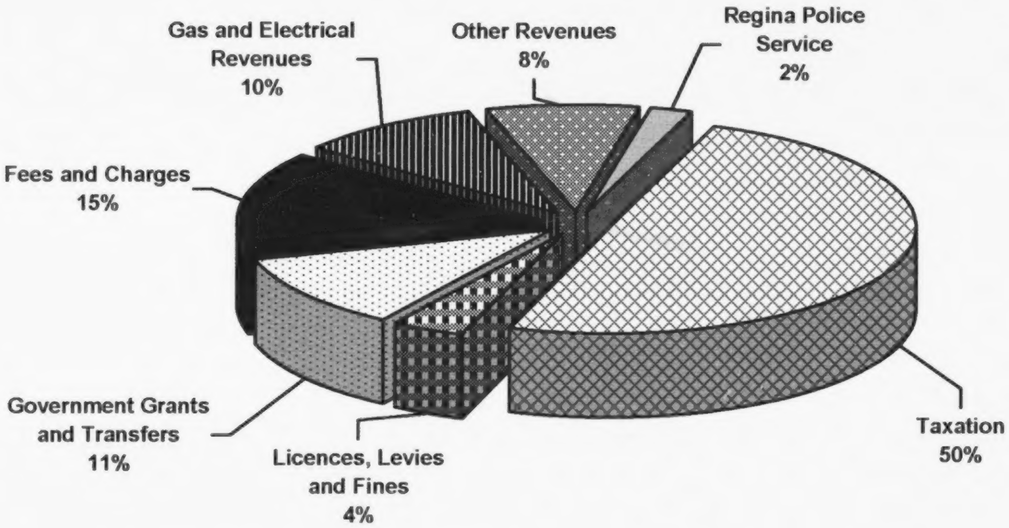
General Operating
Revenues

General Operating Revenues

Operating Revenue Summary ($000's)

Revenue Category	2013 Budget	2013 Actual	**2014 Budget**	Budget Change Dollar Change	Budget Change Per Cent Change
Taxation	170,211.0	169,683.1	**184,933.4**	14,722.4	8.6
Government Grants and Transfers	42,756.3	45,812.2	**41,936.0**	(820.3)	(1.9)
Licenses, Levies and Fines	12,494.8	11,136.2	**14,509.6**	2,014.8	16.1
Fees and Charges	47,729.6	54,465.8	**55,380.2**	7,650.6	16.0
Other Revenue	59,879.7	65,890.4	**66,137.1**	6,257.4	10.4
Civic Total	333,071.4	346,987.7	**362,896.3**	29,824.9	9.0
Regina Police Service	7,811.9	9,122.9	**8,266.2**	454.3	5.8
Total General Operating Revenue	340,883.3	356,110.6	**371,162.5**	30,279.2	8.9

2014 Operating Revenues



Highlights with respect to the 2014 revenue budget are:

- **The mill rate increase for 2014 is 4.88% plus an additional 1% dedicated to Local Road Improvements. A 5.88% mill rate increase equates to about $10.0 million.**
- **The 2014 Budget has been prepared including the Municipal Operating Grant Pool (former Revenue Sharing Grant) of $39.9 million, a decrease of $880 thousand from funding provided in the 2013 Budget.**

- **The transfer from the General Fund Reserve to the Operating Budget in 2014 is $1,680,000.** The 2013 Budget included a $1.6 million transfer from the General Fund Reserve.
- **The utility surplus transfer for 2014 is $8 million, an increase of $622 thousand over 2013**. The budget retains a transfer of $675 thousand from the Water and Sewer Utility related to the additional GST rebate implemented by the Federal Government in 2005.
- **Gas and electrical revenues are projected to increase by $300 thousand.** This increase is partially due to an increase in electrical rates and partially due to increased consumption. In addition, the natural gas market is extremely volatile so significant variances may occur.

The following table is a detailed list of 2014 revenue sources for the General Operating Budget. The table outlines the amount of revenue, along with an analysis of the factors that determine the revenue generated from those sources. For some revenue sources City Council controls one or more of the factors that determine the revenue generated, although there may be some restrictions in legislation or regulations. For some revenue sources (gas revenues, electrical revenues, interest earnings and government grants), City Council has no control over the revenue generated.

General Operating Revenues

Revenue Source	Factors Determining the Amount of Revenue	Does the City Control?	2014 Budget	Per Cent of Total	Cumulative Percentage
Property Taxes (including supplementary taxes)	Assessment Growth Mill Rates	No **Yes**	171,719,200	46.3%	46.3%
Electrical Revenues	Formula for Transfers Electrical Rates Consumption	No No No	30,836,300	8.3%	54.6%
Government Grants and Transfers (includes Police & Lotteries)	Government Policy	No	50,507,900	13.6%	68.2%
Gas Revenues	Payment In Lieu Rate Natural Gas Rates Consumption	No No No	5,800,000	1.6%	69.7%
Grants-In-Lieu of Property Taxes	Assessment Growth Mill Rates Government Policy	No **Yes** No	11,079,200	3.0%	72.7%
Community and Leisure User Fees	Amount of Fee Amount of Use	**Yes** No	7,772,500	2.1%	74.8%
Waste Collection and Disposal Fees	Amount of Fee Amount of Use	**Yes** No	23,037,500	6.2%	81.0%
Transit and Paratransit User Fees	Amount of Fee Amount of Use	**Yes** No	7,895,100	2.1%	83.2%
Utility Surplus Transfer	Transfer Rate Calculation Base	**Yes** **Yes**	8,002,900	2.2%	85.3%
Interest Earnings	Interest Rates Cash Balances	No No	12,382,900	3.3%	88.6%
Fines	Fine Amount Number of Infractions Level of Enforcement	**Yes** No **Yes**	6,935,500	1.9%	90.5%
Recovery of Administrative Costs (Utility, Pension Plans & BPWAB)	City Council Policy	**Yes**	5,533,600	1.5%	92.0%

General Operating Revenues					
Revenue Source	Factors Determining the Amount of Revenue	Does the City Control?	2014 Budget	Per Cent of Total	Cumulative Percentage
Paved and Gravel Alley Special Tax	Levy Rates Alley Lengths	**Yes** No	4,689,100	1.3%	93.3%
Other User Fees	Amount of Fee Amount of Use	**Yes** No	6,935,400	1.9%	95.1%
Transfers from Reserves	Match Expenditure	**Yes**	2,531,400	0.7%	95.8%
Recovery From Other Taxing Authorities (net of cancellations)	Transfer Rate Calculation Base	**No** **No**	2,135,000	0.6%	95.7%
Parking Meter and Permit Fees	Amount of Fee Number of Meters Amount of Use	**Yes** **Yes** No	2,383,300	0.6%	96.4%
Penalties on Taxes	Penalty Rates Outstanding Taxes	**Yes** No	1,050,000	0.3%	96.6%
Building Permit & Inspection Fees	Amount of Fee Number & Value of Permits	**Yes** No	4,000,000	1.1%	97.7%
Cemetery Fees	Amount of Fee Amount of Use	**Yes** No	1,033,600	0.3%	98.0%
Business and Taxi Licenses	License Fee Number of Licenses	**Yes** **Yes**	1,700,000	0.5%	98.5%
Amusement Tax	Tax Rate Ticket Prices Number of Tickets Sold	**Yes** No No	700,000	0.2%	98.6%
Planning and Development Fees	Amount of Fee Number of Applications	**Yes** No	2,017,100	0.5%	99.2%
Animal Control and Impoundment	Amount of Fee Number of Applications	**Yes** No	485,000	0.1%	99.3%
	2014 General Operating Revenue		**371,162,500**	**100.0%**	**100.0%**

Each budget process involves choices with respect to costs (services provided, service costs and the method of service delivery), and the revenues available to fund the costs. Revenue choices include:

1. **Seek additional funding from the senior governments, or seek authority for new sources of revenue.** There are limits to the authority of City Council with respect to revenue options. The taxation authority for the City is limited to that provided in *The Cities Act*. The City's authority for taxes is essentially property tax, amusement tax and special taxes.

   The City is continuing to review its options around developing alternative revenue resources to meet the increasing operating and capital funding needs as the city continues to experience more significant growth. The Federal Government now provides municipalities 1.5 cents per litre of the Federal fuel tax starting in 2005, increasing to 5 cents per litre in 2009. In Alberta, Calgary and Edmonton each receive an additional 5 cents per litre for every litre of gasoline sold in the city.

2. **Increase the mill rate.** The mill rate is the primary determinant for property tax revenue and grants or payments in lieu of property tax. The revenue from property tax does not increase in the same way that Federal and/or Provincial Government taxes increase. Taking the PST as an example, the revenue from PST is influenced by three factors:

   - Tax rate (currently 5% in Saskatchewan);

- Growth in the tax base resulting from more goods and services being sold – essentially growth through an increase in the "volume" or the tax base; and,
- Growth in the tax base as the cost of goods and services increases – essentially growth in the tax base through increases in "value or price".

For property taxes, while the assessment base has growth each year due to the construction or renovation of buildings that generates new property taxes, there is no increase in property taxes from growth in the assessed value of properties based on market appreciation.

3. **New or increased user fees and charges, fines and license fees.** Significant rate decisions made in recent years that are reflected in the 2014 budget projections include:

   - A fee schedule (Bylaw 2011-67) for Arena Ice Fees and Charges for 2013 to 2015
   - A Golf Course Fee Schedule (Bylaw 2011-67) for 2013 to 2015
   - A Cemetery Fee Schedule (Bylaw 2008-27) for 2014.
   - Increased landfill rates (Bylaw 2012-63) for 2014.

4. **Pursue alternative revenue options provided for in *The Cities Act* that are not currently used by the City of Regina.** Revenue options include:

   - The definition of a public utility [Section 2(cc)] includes waste management and street lighting services. During the 2002 budget process, the Executive Committee (Report EX02-15) considered the concept of a Waste Management Utility. The decision was made not to proceed with a utility. If a utility was implemented for waste management or street lighting, the cost of the services could be funded through a special charge rather than through general revenues.
   - There are a number of municipalities that pay for waste collection and disposal through specific fees. The fee structures are typically either a flat fee irrespective of the amount of waste disposed, or use of a system such as the "tag a bag" system.
   - Section 8(3) of The Cities Act provides the authority for fees for licenses, inspections, permits or approvals. Section 8(4) of the legislation limits the license fees to the cost to the City for administering and regulating the activity and collecting the fees. While the City has many fees and charges, there may be opportunity for additional fees and charges. The total revenue increase available through new fees is likely minimal.
   - Section 264 of The Cities Act allows the establishment of service fees in connection with any service provided by the City. The difficulty with the legislation is that to enforce collection of the fee, the only option is to discontinue the service. For some services, discontinuance may be an option, but for many services this is not an option.
   - Section 275 of The Cities Act authorizes a council to pass a special tax bylaw to raise revenue to pay for any specific service or purpose to be completed within the current year. The special tax could apply to the entire city or a portion of the city. The tax rate can be applied based on the property assessment, the frontage of a property, the area of a property or to each parcel of property. The only special tax currently levied by the City is for costs related to the reconstruction and maintenance of alleys and lanes.
   - Section 279 of The Cities Act authorizes an amusement tax. While the City currently has an amusement tax, the City has chosen to limit the tax to those attending a commercial movie theatre. The tax base could be expanded to other forms of entertainment where an entrance fee or admission is charged.

If new taxes or fees are implemented, there will be increased administrative costs. The cost may be modest if existing billing and collection processes can be used. If not, the administrative cost of a new fee or tax could be substantial.

Taxation

Operating Revenue Summary ($000's)

				Budget Change	
Revenue Source	2013 Budget	2013 Actual	**2014 Budget**	Dollar Change	Per Cent Change
Municipal Property Tax	154,996.8	154,451.4	**169,719.2**	14,722.4	9.5
Payments and Grants in Lieu of Tax	11,079.2	11,349.7	**11,079.2**	-	-
Total Property Tax	166,076.0	165,801.1	**180,798.4**	14,722.4	8.9
Supplementary Property Tax	2,000.0	1,660.2	**2,000.0**	-	-
Recovery from Other Taxing Authorities	2,175.0	2,224.5	**2,175.0**	-	-
Tax Cancellations	(40.0)	(2.7)	**(40.0)**	-	-
Total	170,211.0	169,683.1	**184,933.4**	14,722.4	8.6

The 2014 budget for property taxes and grants in lieu of property taxes is about $180.8 million, an increase of about $14.7 million over the 2013 budget. This amount consists of the following: increase in the municipal mill rate, $10.0 million; increase in tax revenue from growth, $4.7 million.

The key assumptions or factors that impact the budget are:

The increase in the municipal mill rate for 2014 is 4.88% plus an additional 1% dedicated to local road improvements for a total increase of 5.88%. The mill rate for 2013 was 8.4404 compared to 8.9371 for 2014. With no mill rate increase, tax revenues would increase by about $4.7 million. With the mill rate increase, tax revenues will increase by about $14.7 million.

In previous years the property tax revenue shown in this document reflected a reduction of the budgeted levy amount by the projected appeal risk. Starting in 2010, there has been no provision to fund appeal risk in the General Operating Budget therefore, the 2014 property tax projection is not adjusted for potential appeal risk.

The 2014 preliminary tax assessment roll is $20,176,309,000. The final date to file an appeal for 2014 was December 9, 2013. The assessment roll will be reviewed for potential risk due to corrections and assessment appeals using preliminary information obtained from appeals filed for 2014. Based upon the review of appeals received, there may be a risk of reduction in the assessment roll. If the reduction in tax revenues due to assessment appeals causes a deficit in the 2014 fiscal year, then that deficit must be eliminated by a transfer from the General Fund Reserve to the General Operations Fund.

The following table details the property tax and grants in lieu of tax revenue (budget and actual) for the last five years. The property tax revenue includes supplementary taxes.

Tax Revenue ($000's)	2010	2011	2012	2013	2014
Property Tax:					
Budget	128,300.6	136,205.3	144,729.1	154,996.8	169,719.2
Actual	127,519.4	136,130.0	142,516.6	154,451.4	-
Variance	(781.2)	(75.3)	(2,212.5)	(545.4)	-
Grants In Lieu of Property Tax:					
Budget	9,196.2	9,608.1	9,608.1	11,079.2	11,079.2
Actual	8,604.2	9,415.1	11,050.0	11,349.7	-
Variance	(592.0)	(193.0)	1,441.9	270.5	-

As a result of assessment appeal decisions within the year and allowances for outstanding assessment appeals at the end of each year, there can be significant volatility in actual tax revenue as compared to budgeted revenues.

Mill Rates and Mill Rate Factors

Mill rates and mill rate factors serve different purposes. The mill rate, applied to the taxable assessment (including the assessment of grant in lieu properties), determines the total tax generated. Mill rate factors determine the distribution of the taxes between groups of properties. The following table is the history of mill rates, including the mill rates for the Schools and Library, over the last ten years. There have been reassessments in 1997, 2001, 2005, 2009 and 2013. Whenever a reassessment occurs, the mill rate is recalculated such that there is no change in the total taxes levied as a result of the reassessment. The annual per cent change for 2005, 2009 and 2013 in the following table is based on the mill rate for the year in comparison to the restated mill rate for the prior year.

Year	Mill Rate	Per Cent Change	Mill Rate	Per Cent Change	Mill Rate	Per Cent Change	Mill Rate	Per Cent Change
2003	18.6212	1.10%	19.7247	-	1.9745	3.50%	40.320	0.67%
2004	18.6212	-	19.7427	-	1.9745	-	40.338	-
2005	17.6987	4.00%	18.0264	-	1.8045	3.00%	37.5296	1.99%
2006	17.6987	-	18.5528	2.92%	1.9320	2.92%	38.1835	1.74%
2007	18.3907	3.91%	19.0166	2.44%	2.0267	4.90%	39.4340	3.17%
2008	18.9130	2.84%	19.7393	3.80%	2.1059	3.91%	40.7582	3.36%
2009	13.4420	-	*See Note 1*	-	1.4967	-	-	n/a
2010	13.9797	4.00%	*See Note 1*	-	1.5401	2.90%	-	n/a
2011	14.5389	4.00%	*See Note 1*	-	1.5919	3.36%	-	n/a
2012	15.1059	3.90%	*See Note 1*	-	1.6221	1.90%	-	n/a
2013	8.4404	4.45%	*See Note 1*	-	0.8947	2.90%	-	n/a
2014	8.9367	5.88%		-	0.9126	2.90%	-	n/a
Average Increase - 2003 to 2014		**2.84%**				**2.68%**		

Note:

1. *The Provincial Government has changed the way education costs are funded by the province and to the way that education property taxes are calculated.*
    - *The province now sets province wide mill rates to calculate the education tax for properties.*
    - *The province has changed the level of direct funding for school boards.*
    - *The province wide mill rates for 2014 will be known when the provincial budget is announced.*

Mill rate factors can be established by City Council for each property class or subclass. The factors change the distribution of the total tax levied but do not increase or decrease the total tax collected. The following table shows the mill rate factors since 2010.

Mill Rate Factors

Property Class/Subclass	2010	2011	2012	2013	2014
Residential (including condominiums)	0.90059	0.90059	0.90059	0.87880	0.87880
Multiple Family Residential	0.90059	0.90059	0.90059	0.87880	0.87880
Commercial and Industrial	1.22945	1.22945	1.22945	1.32901	1.32901
Exterior Hotels	n/a	n/a	n/a	n/a	n/a
Golf Courses	0.92187	0.92187	0.92187	0.86359	0.86359
Resource Property	n/a	n/a	n/a	1.32901	1.32901
Agriculture	1.22945	1.22945	1.22945	1.32901	1.32901

The Province announced that for 2009 there are changes to the funding of education and changes to the way property tax is calculated for the education levy. Province wide education levy mill rates are now set by property class with mill rate factors no longer applied to calculate the education portion of property taxes. Mill rate factors can still be applied to calculate the municipal and library property tax levies. The following table shows the education mill rates as set by the Province on March 20, 2013.

Property Class	2013	2014
Residential (including condominiums)	5.03	5.03
Multiple Family Residential	5.03	5.03
Agriculture	2.67	2.67
Resource Properties	11.04	11.04
Commercial and Industrial (All)	8.28	8.28
Commercial and Industrial (Taxable Assessment less than 499,999)	n/a	n/a
Commercial and Industrial (Taxable Assessment is 500,000 to 5,999,000)	n/a	n/a

Note:
The Province wide mill rates for 2014 are not known at this time. They will be announced with the Provincial Budget.

Property Assessment

Taxable assessment for a property is the fair value assessment determined in accordance with legislation and the Saskatchewan Assessment Manual multiplied by the provincial percentage set by the Province. For 2014, the provincial percentages are:

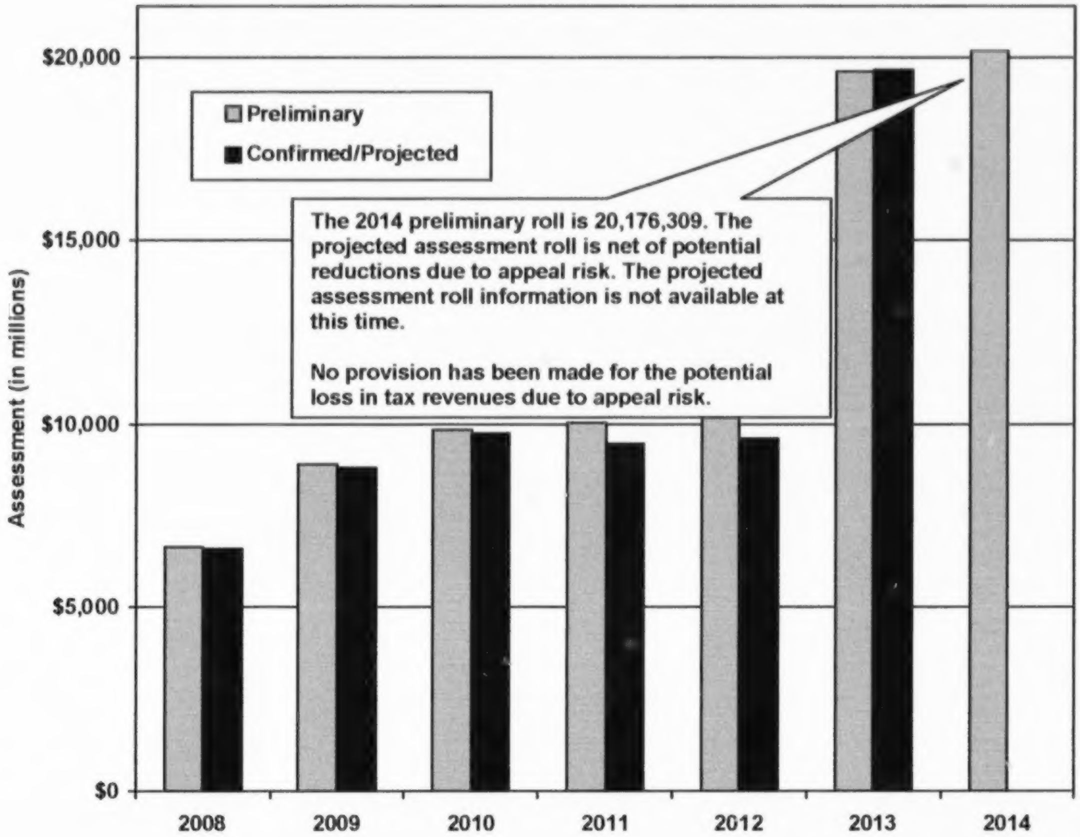
- 70% for all residential property, including condominiums and multi-unit residential property.
- 40% for non-arable land and 55% for other agricultural property.
- 100% for elevators, rail right of ways and pipelines; and,
- 100% for all other commercial and industrial property.

Each year an assessment roll is prepared. Every four years there is a province wide reassessment that updates assessments to a new base year. 2013 is a revaluation year that reflects a base date of Jan 1, 2011. Within 60 days from the "opening" of the assessment roll, property owners have the right to file an assessment appeal. The first step of the assessment appeal process is an appeal to the Board of Revision. If any party to the assessment appeal is of the view that the Board of Revision erred in their decision, the party can appeal to the Saskatchewan Municipal Board Assessment Appeal Committee (SMBAAC). Once the SMBAAC renders a decision, parties to an appeal have the right to seek leave to appeal to the Court of Appeal with respect to a question of law.

Each year, there are changes to the assessment roll. This includes changes due to assessment appeal decisions of the Board of Revision and/or SMBAAC; additions to the assessment roll resulting from new construction or major renovations of property, the subdivision of property and zoning changes; and, deletions to the assessment roll, typically resulting from demolitions of property.

The total taxable assessment (including the assessment of grant in lieu properties) can be subject to significant change and uncertainty due to assessment appeals. The following graph highlights the variability between the preliminary assessment roll and confirmed assessment roll totals since 2006.

Property Assessment (Taxable and Grant-in-lieu)



The 2014 preliminary roll is 20,176,309. The projected assessment roll is net of potential reductions due to appeal risk. The projected assessment roll information is not available at this time.

No provision has been made for the potential loss in tax revenues due to appeal risk.

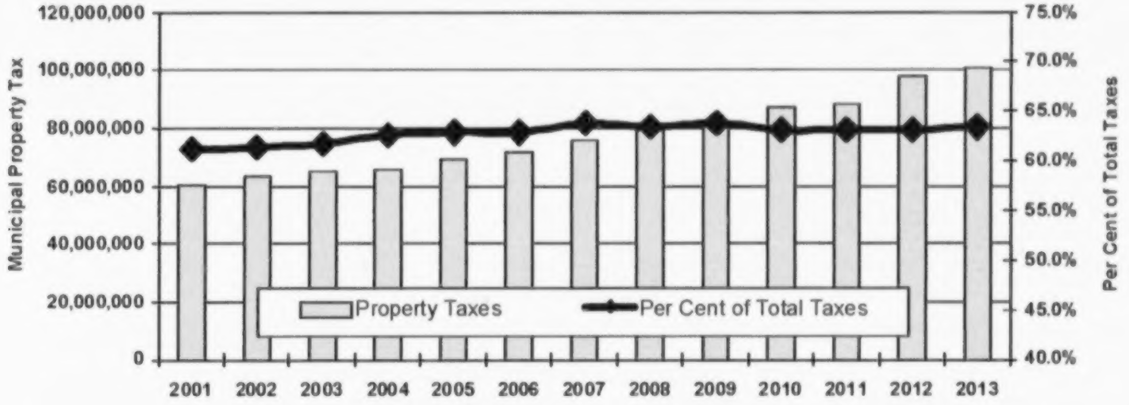
Note:
The 2005 – 2008 assessments are valued with a base year of 2002. The 2009-2010 assessment is valued with a base year of 2006 while the 2013 assessment is valued with a base year of 2011.

Often in recent years, due to the impact of assessment appeals and other assessment changes, the confirmed assessment roll is less than the preliminary assessment roll. The contingent liability for assessment appeals outstanding at December 9, 2013 was approximately $2.4 million. The risk is with respect to appeals for the years 2011, 2012 and 2013. The appeal risk with respect to 2014 has not yet been calculated.

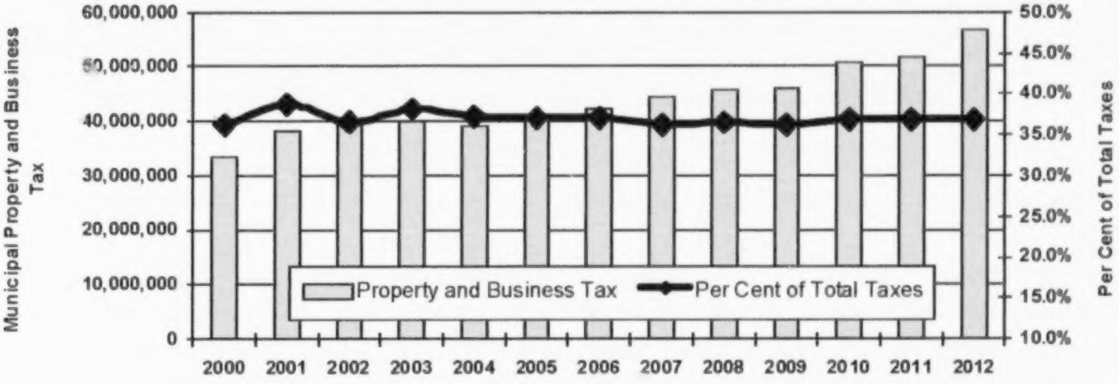
Tax Distribution

The next two graphs provide information on the changes in the distribution of taxes in Regina since 2001. The taxes are based on the confirmed assessment roll each year, net of phase-in adjustments and do not reflect allowances established at the end of the year for appeals, nor subsequent appeal decisions. The taxes for 2014 are based on the projected assessment. The graphs show the total taxes and percentage of total taxes since 2001.

Municipal Property Tax – Residential Properties



Municipal Property Tax – Commercial, Industrial and Other Properties



This graph includes grants-in-lieu of government and crown-owned properties. The trend has been a decrease in the proportion of total municipal taxes paid by commercial, industrial and other properties.

Government Grants and Transfers

Operating Revenue Summary ($000's)

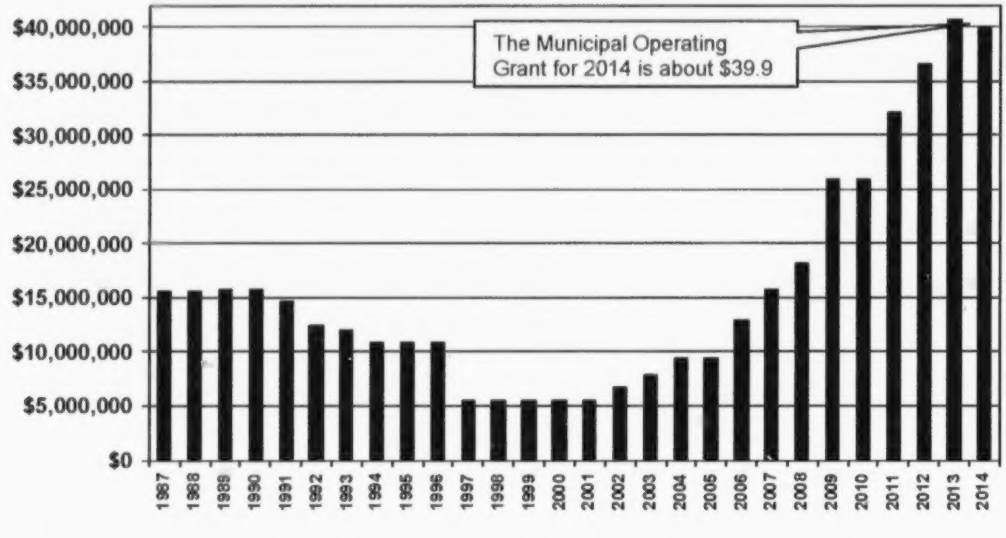
				Budget Change	
Revenue Source	2013 Budget	2013 Actual	**2014 Budget**	Dollar Change	Per Cent Change
Municipal Operating Grant	40,790.3	41,067.7	**39,910.0**	(880.3)	(2.2)
Paratransit Grant	980.0	1,452.9	**980.0**	-	-
Other Grants:					
Discount Transit Pass Grant	520.0	623.5	**520.0**	-	-
Recycling Grant	80.0	137.6	**140.0**	60.0	75.0
Urban Highway Connector Program	386.0	383.8	**386.0**	-	-
Sk Housing Trust Funds		2,138.2		-	-
Other		8.5		-	-
Total	42,756.3	45,812.2	**41,936.0**	(820.3)	(1.9)

Municipal Operating Grant (former Revenue Sharing Grant)

For 2014, funding for Regina from the Municipal Operating Grant is approximately $39.9 million. This is a decrease of $880 thousand from 2013 funding levels.

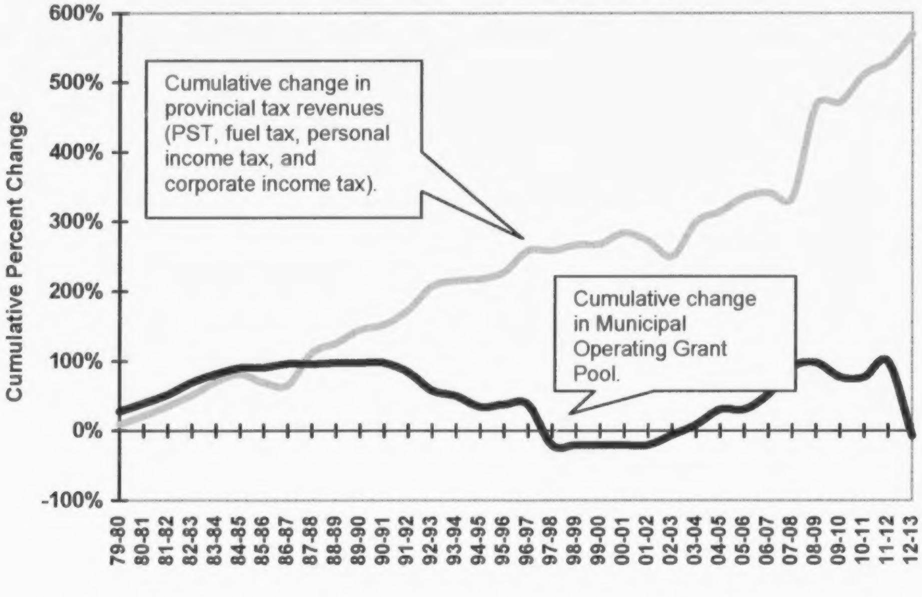
The following graph shows the annual Municipal Operating Grant received by Regina since 1987:

Regina's Municipal Operating Grant


The Municipal Operating Grant for 2014 is about $39.9

Initially, the amount of funding in the Municipal Operating Grant Pool was linked to four provincial tax bases (retail sales, fuel, personal income and corporate income), with the size of the pool increasing or decreasing with the change in the tax base (not tax revenue). The following graph shows the increase in the Municipal Operating Grant Pool since the inception of the grant program, in comparison to the increase in tax revenue from the four provincial taxes initially linked to the Municipal Operating Grant Pool.

Provincial Tax Revenue and Municipal Operating Grant Pool



In 1990, the Municipal Operating Grant accounted for 11.1% of the total general operating revenue budget. In 2014, the grant accounts for 10.8% of the total general operating revenue.

In 2013-14, the Provincial Government will provide a total of $264.4 million dollars in Revenue Sharing grants to urban, rural and northern communities. This is based on 2012-13 PST Revenue of $1.28 billion.

The following table shows the estimated distribution of the Municipal Operating Grant for urban and rural municipalities for 2014.

Distribution of Municipal Operating Grant

	2014	
	$ Million	**Per Cent of Total**
Urban Municipalities		
Regina	41.06	15%
Saskatoon	47.25	17%
All Other Urban Muncipalities	81.69	31%
Urban Municipalities Subtotal	170.00	64%
Rural Municipalities	74.70	28%
Northern Communities	19.70	7%
	264.40	100%

Paratransit Grant

For 2014, the Paratransit Grant is projected to be $980 thousand. Payments are received quarterly and the total 2014 grant is not final and could change as a result of the final calculation by the Province.

Paratransit receives operating and capital grants from the Province's Municipal Transit Assistance for People with Disabilities program. When the grant program was first implemented, the program funded up to 50% of the net operating cost of the Paratransit program and up to 75% of the capital cost. The operating grant has been converted to a performance-based grant with the level of funding linked to the number of trips.

The Paratransit grant has not kept pace with service needs and costs. The following table provides information on the operating grants since 2009.

Paratransit Service ($000's)	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Provincial Operating Grant	1,063.0	1,056.0	1,148.2	1,151.0	1,137.0	980.00
City's Operating Contribution	2,380.0	2,527.0	2,472.5	2,206.0	2,693.0	2,981.0
Total Contributions	3,443.0	3,583.0	3,620.7	3,357.0	3,830.0	3,961.0
Provincial Operating Grant	30.9%	29.5%	31.7%	34.3%	29.7%	24.7%
City's Operating Contribution	69.1%	70.5%	68.3%	65.7%	70.3%	75.3%
Total Contributions	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The Province's contribution has dropped from the initial target of 50% to approximately 25% of the net operating cost of the program. Based on 2014 funding, it is projected that the Province's contribution will be approximately 25%. The City supported the move to a performance-based system for providing the operating grants. The concern is that the level of provincial funding, as a portion of the net cost of the program, is declining and not keeping pace with escalating costs.

Other Grants

The total for other grants for 2014 is $1.05 million. The Province also provides transfers to the Regina Police Service. The transfers received by the Regina Police Service are included in the Fees and Charges section for Police. Other grants are conditional grants linked to specific projects or initiatives. Most of the grants are one-time grants that will not be received from year to year. Some of the grants, such as those for the Discounted Transit Pass Grant are programs that could continue for several years, although there is no specific commitment from the Province with respect to the timeframe for the grants.

Licences, Levies and Fines

Operating Revenue Summary ($000's)

Revenue Source	2013 Budget	2013 Actual	**2014 Budget**	Budget Change Dollar Change	Budget Change Per Cent Change
Licenses					
Business Licenses	730.0	790.3	**1,600.0**	870.0	119.2
Animal Control and Impoundment	485.0	411.2	**485.0**	-	-
Taxi Licenses	100.0	111.8	**100.0**	-	-
Levies and Other Taxes					
Paved and Gravel Alley Special Tax	4,244.3	2,993.6	**4,689.1**	444.8	10.5
Amusement Tax	700.0	719.9	**700.0**	-	-
Fines					
Court Fines	3,300.0	3,585.5	**3,300.0**	-	-
Animal Fines	181.9	77.5	**181.9**	-	-
Impound Fees	20.0	18.2	**20.0**	-	-
Parking Tickets	2,703.6	2,412.0	**3,403.6**	700.0	25.9
Fire Bylaw Violations	30.0	16.2	**30.0**	-	-
Total	12,494.8	11,136.2	**14,509.6**	2,014.8	16.1

Business Licences

The authority for licensing is Section 8 of *The Cities Act*. The majority of the licences issued by the City are pursuant to *The Licensing Bylaw, 2007*.

The 2014 budget for business licences is $1.6 million, an increase of $870 thousand over the 2013 budget. City Council (Report CR06-88) approved a simplified structure for licence fees effective January 1, 2007. The new structure established two license categories with a fee of $225 for a Resident Business License and $450 for a Non-Resident Business Licence. On an annual basis, about 3,400 licences are issued

The following table details the business licence revenue (budget and actual) since 2009.

Business Licence Revenue ($000's)	2009	2010	2011	2012	2013	2014
Budget	700.0	700.0	700.0	730.0	730.0	1,600.0
Actual	684.3	733.0	816.3	832.4	790.3	-
Variance	(15.7)	33.0	116.3	102.4	60.3	-

Animal Control

The 2014 budget for this program is $687 thousand, no change over 2013. City Council (Report CR07-163) approved an amendment of the Cat Control Bylaw, later repealed and consolidated as part of *The Regina Animal Bylaw, 2009*, to state that all cats must be licensed and an increase in animal fines, effective

January 1, 2008. The revenue from animal licensing and animal fines is a source of funding for animal control and impoundment, with services provided under contract by the Regina Humane Society.
Animal fine revenue is expected to increase in 2014 from 2013. Regina Police Service discontinued the practice of serving animal summons. In September 2013, Bylaw and Licensing has started serving summons. We will achieve our goal of $60 thousand for animal fines with voluntary payment of fines and court related fines.

The following table details the animal control revenue (budget and actual) since 2009.

Animal Control Revenue ($000's)	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Budget	438.9	438.9	608.9	608.9	686.9	686.9
Actual	405.2	399.0	485.3	479.6	506.9	-
Variance	(33.7)	(39.9)	(123.6)	(129.3)	(180.0)	-

Paved and Gravel Alley Special Tax

Funding for maintenance and reconstruction of alleys is through a **Paved and Gravel Alley Special Tax** levied pursuant to Section 275 of *The Cities Act*. The special tax is levied against all properties that abut an alley and is billed in conjunction with property taxes.

The 2014 budget of $4.7 million is an increase of $448 thousand over the 2013 budget. The 2014 budget reflects an increase in labour, equipment and materials, along with a 22% administrative corporate overhead to be phased in over 3 years (2012 – 7%, 2013 – 7%, 2014 – 8%). As a result, 8% corporate overhead has been incorporated into the 2014 alley special tax rates. There is also deferred revenue collected in prior years that will be expended in 2014.

Since 2003, the revenue was collected through the special tax provisions of *The Cities Act*. Prior to 2003, the levy was assessed pursuant to provisions of *The Urban Municipality Act, 1984*. The following table details rates for alleys and lanes since 2009.

Assessable Rates	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Paved and Upgraded Alleys	$2.64/ft	$2.72/ft	$2.88/ft	$3.09/ft	$3.56/ft	$3.90/ft
Gravel Alleys	$1.66/ft	$1.71/ft	$1.81/ft	$2.04/ft	$2.33/ft	$2.57/ft

If the special tax levy is not fully expended in the year levied for the intended purpose, the unspent amount of the levy is recognized as deferred revenue and placed into revenue which will be expended on the intended purpose in following years.

The rate increase for 2014 is consistent with the direction adopted by City Council to enhance the maintenance of alleys. The Alley Maintenance Strategy approved by City Council in 1996 was intended to maintain the alley inventory in an acceptable and sustainable condition. Funding to fully implement that strategy was phased in over a 10 year period. Full funding for the strategy was achieved in 2006 and has continued since that time. The primary focus of the strategy is the provision of a 30 year reconstruction cycle in paved alleys and a 10 year systematic gravel refreshment cycle in the gravel alleys.

Amusement Tax

The authority for **amusement tax** is Section 279 of *The Cities Act*. Bylaw 2003-102, the Amusement Tax Bylaw, establishes the amusement tax rate and defines the nature of entertainment subject to the tax. Amusement tax is applicable to the sale of tickets for commercial movie theatres. The amusement tax is 10%, with one-tenth of the amount to be retained by the theatre as an administrative fee or commission for collecting the tax.

For 2014, the projected revenue from amusement tax is $700 thousand, no change over the 2013 budget.

The administrative fee or commission is $65.4 thousand.

The following table details the amusement tax revenue (budget and actual) since 2009.

Amusement Tax Revenue ($000's)	2009	2010	2011	2012	2013	2014
Budget	600.0	600.0	600.0	650.0	700.0	700.0
Actual	730.3	733.1	728.0	752.8	719.9	-
Variance	130.3	133.1	128.0	102.8	19.9	-

Court Fines

The projected revenue from court fines for 2014 is $3.3 million, no change over the 2013 budget.

Court fines are received either through the Municipal Court or through traffic violations that result in payment through the provincial court system. The Regina Police Service issues tickets for infractions of *The Provincial Vehicles Act* and the City of Regina Traffic Bylaw.

The next table provides a summary of the budgeted and actual revenue from court fines since 2009 along with history on the number of traffic tickets issued and paid.

Court Fines Information	2009	2010	2011	2012	2013	2014
Fine Revenue ($000's):						
Budget	2,750.0	3,100.0	3,100.0	3,100.0	3,300.0	3,300.0
Actual	3,187.4	3,256.5	3,462.2	4,134.6	3,585.5	-
Variance	437.4	156.5	362.2	1,034.6	285.5	-
Traffic Tickets:[1]						
Tickets Issued	33,879	36,444	32,866	32,268	-	-
Tickets Paid	27,554	25,338	26,971	33,734	-	-

Note:

1. A concerted collection effort during 2012 has resulted in the payment of a number of tickets that were issued in prior years.

While the Province administers and enforces the collection of tickets, they deduct from the fine revenue remitted to the City the following charges:

- A court security fee of $320 thousand per year.
- An administration fee of 25% of the value of the tickets collected, plus the costs for credit and debit cards and collection agency fees. The total projected fine administration fee for 2013 is $825 thousand. Banking and collection agency fees for 2013 is $95.5 thousand.

Parking Fines

The projected revenue from parking fines for 2014 is $3.4 million, an increase of $700 thousand over the 2013 budget. This increased revenue reflects an anticipated increase in fines to bring them more in line with cost recovery of parking services.

The next table provides a summary of the parking fine revenue since 2009 along with information on the tickets issued and paid, and other related information. The introduction of an on-line payment option in April/2009 has been well received with a steady increase in the tickets collected via this method. As of August 2013, 50% of all parking fines were collected through this payment method.

Parking Ticket Information	2009	2010	2011	2012	2013	2014
Parking Ticket Fines ($000's):						
Budget	1,525.0	1,625.0	1,625.0	1,750.0	2,703.6	3,403.6
Actual	1,606.5	1,445.1	1,564.9	1,946.4	2,412.0	-
Variance	81.5	(179.9)	(60.1)	196.4	(291.6)	-
Parking Tickets:						
Tickets Issued - City	68,239	68,482	65,526	83,816	-	-
Tickets Issued - Wascana/University	20,565	20,541	22,904	18,306	-	-
	88,804	89,023	88,430	102,122	-	-
Tickets Paid	76,669	75,707	75,278	83,858	-	-

Fire Bylaw Code Violations/Fines – Amendments to the Regina Fire Bylaw 2005-18 in 2010 provide for enhanced enforcement powers that permit the issuing of fines for failing to comply with regulatory requirements. The revenue for 2014 is projected to be $30 thousand.

Fees and Charges

Operating Revenue Summary ($000's)

				Budget Change	
Revenue Source ($000's)	2013 Budget	2013 Actual	**2014 Budget**	Dollar Change	Per Cent Change
City Operations	31,653.1	31,568.7	**35,575.6**	3,922.5	12.4
Community Planning & Development	13,676.8	18,479.1	**16,406.9**	2,730.1	20.0
Other Fees and Charges	2,399.7	4,418.0	**3,397.7**	998.0	41.6
Total	47,729.6	54,465.8	**55,380.2**	7,650.6	16.0

City Operations Fees and Charges

				Budget Change	
Revenue Source ($000's)	2013 Budget	2013 Actual	**2014 Budget**	Dollar Change	Per Cent Change
Landfill Fees	11,490.0	11,711.8	**12,300.0**	810.0	7.0
Allocated Landfill Charges	4,363.6	3,741.5	**4,700.0**	336.4	7.7
Recycling Revenues	3,366.2	2,899.1	**5,992.5**	2,626.3	78.0
Use/Encroachment Fees	45.0	50.6	**45.0**	-	-
Other Public Works Revenues	357.8	345.0	**382.0**	24.2	6.8
Golf Courses	2,878.3	2,723.0	**2,894.4**	16.1	0.6
Cemeteries	994.1	1,058.9	**1,033.6**	39.5	4.0
Tree Planting and Maintenance	16.0	23.9	**16.0**	-	-
Other Parks and Open Space Revenue	27.0	-	**17.0**	(10.0)	(37.0)
Fire Suppression Fees	250.0	231.0	**280.0**	30.0	12.0
Other Fire and Protective Services Revenue	20.0	6.6	**20.0**	-	-
Transit Operations	7,213.5	7,996.0	**7,263.5**	50.0	0.7
Paratransit Services	631.6	781.3	**631.6**	-	-
Total	31,653.1	31,568.7	**35,575.6**	3,922.5	12.4

Landfill Fees

The 2014 budget for landfill fees is $12.3 million, an increase of $810 thousand over 2013. This is due to an increase in the tipping fee at the scale.

In 2013, City Council (Report CR-13165) approved a $10/tonne increase to landfill tipping fees resulting in a $75/tonne rate for 2014. This increase will provide the revenue required to meet the Landfill operating costs, as well as fund capital requirements for Landfill Operations, Solid Waste Collection and Waste Diversion Services branches such as expansion to meet growing capacity needs, operating equipment and fleet. The private vehicle rate will remain unchanged at $15/vehicle.

The following table details landfill revenue (budget and actual) since 2009:

Landfill Revenue ($000's)	2009	2010	2011	2012	2013	2014
Budget	4,980.3	5,368.0	6,478.0	8,635.0	11,490.0	12,300.0
Actual	5,352.8	6,037.5	7,806.1	9,576.8	11,711.8	-
Variance	372.5	669.5	1,328.1	941.8	221.8	(12,300.0)

The solid waste residential collection program pay tipping fees along with other internal City clients through an internal allocation. This allocation is done at the tipping fee unit price that is the same as for all other users.

Recycling Revenue

The 2014 budget for Recycling revenue is $5.99 million, an increase of $2.6 million over 2013.

In 2012, City Council (Report CR12-133) approved the daily fee of $0.25 to be charged to residents through their utility bill for the residential recycling collection service. The recycling collection service was implemented on July 1, 2013. The 2014 budget of $5.99 million represents a full twelve months of fees charged to residents. In 2013, the service was only provided for six months and therefore the 2013 budget reflected this. A portion of the increase is also attributed to a full year of recycling revenue share (25%) from the sale of the recyclable material to the open market.

The following table details recycling revenue (budget and actual) since 2009:

Recycling Revenue ($000's)	2009	2010	2011	2012	2013	2014
Budget	-	-	-	-	3,366.2	5,992.5
Actual	-	-	-	-	2,899.1	-
Variance	-	-	-	-	(467.1)	(5,992.5)

Golf Course Revenue

The 2014 budget for golf course revenue is $2.9 million, an increase of $16 thousand from the 2013 budget. A three-year fee schedule for 2013-2015 was approved by City Council in December, 2012.

Western Golf Management (WGM) had a three-year contract to operate the Joanne Goulet and Lakeview Golf Courses between 2010 and 2012. The contract was extended for one year in 2013 and will be extended in 2014.

WGM also has a 20-year contract (2002 – 2021) to operate the Murray and Tor Hill Golf Courses. The City receives an annual base fee along with 50% of all green fees collected.

The following table details golf course revenue (budget and actual) since 2009.

Golf Course Revenue ($000's)	2009	2010	2011	2012	2013	2014
Budget	2,590.6	2,664.7	2,709.3	3,490.1	2,878.3	2,894.4
Actual	2,717.5	2,819.8	2,763.6	3,073.2	2,723.0	-
Variance	126.9	155.1	54.3	(416.9)	(155.3)	(2,894.4)

Cemetery Revenue

The 2014 budget for Cemetery revenue is $1 million, an increase of $39.5 thousand over the 2013 budget.

A proposed two-year fee schedule, effective January 1, 2014, and January 1, 2015 will incorporate fee increases of 5% in each of the two years. A fee increase is necessary to compensate for rising operating expenses, continue the necessary restoration of existing infrastructure and to provide capital funding to develop new interment options. The proposed fees will be in line with those charged by other municipally-operated cemeteries in Saskatchewan and other western provinces.

In the fall of 2013, Phase II of a multi-phase development consisting of a 104-niche columbarium was constructed at Riverside Memorial Park Cemetery to meet the needs of the community. This new unit is in addition to the Phase I columbarium of 191-niches that was installed in 2010. The Phase I columbarium is currently 75% sold. Cemeteries are operated on a cost-recovery basis.

The following table details cemetery revenue (budget and actual) since 2009.

Cemetery Revenue ($000's)	2009	2010	2011	2012	2013	2014
Budget	797.5	829.4	880.6	933.2	994.1	1,033.6
Actual	844.7	1,007.1	911.4	1,088.4	1,058.9	0.0
Variance	47.2	177.7	30.8	155.2	64.8	(1,033.6)

Fire Suppression Service Fees

The 2014 budget for Fire Suppression Service revenue is $280 thousand, an increase of $30 thousand over the 2013 budget.

The majority of the revenue is for fees pursuant to service agreements with the Rural Municipality of Sherwood and the Rural Municipality of Lumsden. The fees have two components:

- **Retainer Fee** – For each of the servicing agreements, an annual retainer fee is paid. The retainer fees were established when the initial agreements were negotiated. The fees increase each year by the greater of the percentage increase in the Consumer Price Index for the prior year or the capital and operating budgets. The following table has information on the historic fees charged and the projected retainer fees for 2014.

Fire Service Agreements Retainer Fee ($)	2010	2011	2012	2013	2014
Rural Municipality of Sherwood	82,771.0	84,179.0	87,041.0	97,498.9	104,070.3
Rural Municipality of Lumsden	11,122.0	11,311.0	11,695.0	13,100.4	13,983.3
Sakimay First Nation	594.0	605.0	625.0	700.3	747.5

- **Service Call Fee** – In addition to the retainer fee, a per incident charge is billed to the rural municipality. Revenues vary based on the number of service calls, the resources required, and the length of time for a call. The estimated revenue from service call fees in 2014 is $133,400.

  Additionally, the City is negotiating an agreement with the Global Transportation Hub Authority which will include fire suppression service fees.

  Other Fire suppression service fees are received from Saskatchewan Government Insurance for motor vehicle accidents and fires. The estimated revenue for 2014 is $50,000.

Transit Fees and Charges

				Budget Change	
Revenue Source ($000's)	2013 Budget	2013 Actual	**2014 Budget**	Dollar Change	Per Cent Change
Transit Operations					
Cash Fares	1,615.0	1,630.4	**1,615.0**	-	-
Ticket Sales	1,190.0	1,291.3	**1,190.0**	-	-
Pass Sales	3,543.6	4,015.8	**3,543.6**	-	-
Senior Citizens Pass Sales	180.0	202.7	**180.0**	-	-
Advertising	475.2	702.6	**475.2**	-	-
Other Revenue	209.7	153.3	**259.7**	50.0	23.8
Paratransit Services					
Cash, Ticket and Pass Sales	277.0	270.8	**277.0**	-	-
Other Revenue	354.6	510.4	**354.6**	-	-
Total	7,845.1	**8,777.3**	**7,895.1**	50.0	0.6

The 2014 budget for Transit revenues is $7.9 million, an increase of $50 thousand as compared to the 2013 budget. There is a grant from the Province of $520 thousand for the discounted pass program, as well as a Paratransit grant of $980 thousand. These grants are shown in the Government Grants section.

The following table details transit revenues (budget and actual) since 2009

Transit Revenues and Fares ($000's)	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Transit Operations Revenue:						
Budget	5,713.6	6,476.4	6,798.3	6,920.3	7,213.5	7,263.5
Actual	6,424.8	6,827.6	7,419.5	7,657.9	7,996.1	-
Variance	711.2	351.2	621.2	737.6	782.6	(7,263.5)
Paratransit Services Revenue:						
Budget	373.7	406.6	406.6	406.6	631.6	631.6
Actual	412.4	412.8	441.2	714.8	781.3	-
Variance	38.7	6.2	34.6	308.2	149.7	(631.6)
Transit Operations Rates($) (Effective Jan. 1):						
Cash Fares:						
Adult	2.25	2.50	2.50	2.50	2.50	2.50
Youth	1.75	2.00	2.00	2.00	2.00	2.00
Tickets (10 tickets):						
Adult	18.00	20.00	20.00	20.00	20.00	20.00
Youth	13.50	15.00	15.00	15.00	15.00	15.00
Bus Pass:						
Adult (monthly)	59.00	62.00	62.00	62.00	62.00	62.00
Post Secondary (monthly)	50.00	53.00	53.00	53.00	53.00	53.00
Youth (monthly)	44.00	47.00	47.00	47.00	47.00	47.00
Senior (semi-annual)	96.00	101.00	101.00	101.00	101.00	101.00
Senior (annual)	192.00	202.00	202.00	202.00	202.00	202.00
Discounted Pass (monthly)	20.00	20.00	20.00	20.00	20.00	20.00
Paratransit Services Rates (Effective July 1):						
Cash Fares	2.25	2.50	2.50	2.50	2.50	2.50
Tickets (10 Tickets)	18.00	20.00	20.00	20.00	20.00	20.00
Punch Pass (40 uses)	90.00	100.00	100.00	100.00	100.00	N/A

Community Planning & Development Fees and Charges

				Budget Change	
Revenue Source ($000's)	2013 Budget	2013 Actual	**2014 Budget**	Dollar Change	Per Cent Change
Planning Department					
Building Branch					
Building Permit Fees	3,313.1	5,896.6	**4,000.0**	686.9	20.7
Reports, Inspections, Certificates, Grade Fees	22.3	21.5	**27.9**	5.6	25.1
Other Revenue	18.0	74.6	**63.0**	45.0	250.0
Application Fees	600.0	589.2	**625.0**	25.0	4.2
Development Charges - Parks	64.4	-	**64.4**	-	-
Sign Permit Fees	33.0	77.6	**75.0**	42.0	127.3
Sale of Promotional Items, Maps, etc.	0.6	0.1	**0.6**	-	-
	4,051.4	6,659.6	**4,855.9**	804.5	19.9
Construction & Compliance					
Sale of Promotional Items, Maps, etc.	4.0	7.2	**5.0**	1.0	25.0
Develop Fees/Levies	500.0	423.0	-	(500.0)	(100.0)
SAF - Administration Fees	195.1	1,283.9	**1,717.6**	1,522.5	780.4
Allocated Surveying Costs	(204.6)	(613.7)	**(580.0)**	(375.4)	183.5
Municipal Access Fee	7.5	60.1	**15.0**	7.5	100.0
Licensing and Municipal Fines	6.6	-	-	(6.6)	(100.0)
Parking Fees	1,400.0	1,426.5	**2,383.3**	983.3	70.2
Other Fees	(3.0)	-	**3.6**	6.6	220.0
	1,905.6	2,587.0	**3,544.5**	1,638.9	86.0
Assessment & Taxation					
Tax Certificate and Search Fees	140.0	170.4	**140.0**	-	-
Administration Charges	33.0	35.2	**33.0**	-	-
NSF Service Charge	16.0	15.1	**16.0**	-	-
Sale of Promotional Items, Maps, etc.	-	-	-	-	-
Miscellaneous Revenue	45.0	44.9	**45.0**	-	-
	234.0	265.6	**234.0**	-	-
Community Development, Recreation and Parks					
Northwest Leisure Centre	503.6	532.0	**530.9**	27.3	5.4
Sandra Schmirler Leisure Centre	976.6	1,039.4	**998.0**	21.4	2.2
Lawson Aquatic Centre	1,139.1	1,057.0	**1,158.3**	19.2	1.7
Fieldhouse	975.5	957.8	**971.4**	(4.1)	(0.4)
Outdoor Pools	149.4	180.9	**150.9**	1.5	1.0
Neil Balkwill Civic Arts Centre	202.7	206.1	**192.7**	(10.0)	(4.9)
Speed skating Oval	2.0	3.2	**0.5**	(1.5)	(75.0)
Outdoor ice	2.0	0.7	**2.0**	-	-
Athletic Fields	185.3	232.1	**145.0**	(40.3)	(21.7)
Mosaic Stadium	510.1	805.4	**558.1**	48.0	9.4
Leslie Lawn Bowling Greens	17.5	17.5	**64.1**	46.6	266.3
Tennis Courts	0.8	1.6	**0.8**	-	-
Douglas Park	5.0	12.5	**7.0**	2.0	40.0
Indoor Arenas	2,370.5	3,447.6	**2,449.9**	79.4	3.3
Rambler Park	49.0	45.4	**49.0**	-	-

				Budget Change	
Revenue Source ($000's)	2013 Budget	2013 Actual	**2014 Budget**	Dollar Change	Per Cent Change
Leibel Field	-	-	**70.0**	70.0	-
Facility & Program Delivery Administration	64.1	-	**64.1**	-	100.0
Bylaw Enforcement	83.0	127.4	**88.0**	5.0	6.0
RRAP Inspection Fees	40.0	31.6	**40.0**	-	-
Other Revenue	10.0	46.0	**10.0**	-	-
Community & Social Development Services					
Facility Rentals	126.7	187.2	**155.6**	28.9	22.8
Parks & Open Space	72.9	35.5	**66.2**	(6.7)	(9.2)
	7,485.8 #	8,966.9 #	**7,772.5**	286.7	3.8
Total	13,676.8	18,479.1	**16,406.9**	2,730.1	20.0

Building Permit Fees

The 2014 budget for building permit fees is $4 million – an increase of $687 thousand over the 2013 budget. In 2011, the Planning and Sustainability Department completed a program and service review with BMA Management Consulting. In collaboration with industry stakeholders, the recommendations related to service delivery, operating practices, and building permit and development planning fees were accepted. As part of the Planning and Sustainability Department Renewal Strategy, this review of fee-for-service activities was undertaken to ensure department operating practices and fees were aligned with customer service targets and full-cost accounting principles. Building permit and development application fees are now based on the principle of 100% cost recovery for all fee-for-service activities. Movement to full cost recovery supports the principle of growth paying for itself and will reduce the required amount of taxpayer dollars to fund the Planning and Sustainability Department. A risk to this approach is the natural fluctuation in the level of development activity and the potential to collect lower fee revenue than necessary to cover direct expenses. This will be mitigated by the establishment of a stabilization reserve in which surplus dollars will be directed when fee revenues exceed expenses and drawn from when fees do not fully cover expenses. The fee rates were reviewed again by the consultants to establish a balance with the present level of building activity. Based on the increase in revenues and activity from the time of the original study, the consultant report has recommended that additional resources be engaged to address this activity. Four, reserve funded positions are recommended to be added to the Building Standards Branch for the 2014 budget.

Servicing Agreement Administrative Fees

In the execution of Servicing Agreements between the City and land developers, the City received $1.7 million in Servicing Agreement Administration Fee revenues. These fees collected offset costs associated with facilitating, reviewing and inspecting new infrastructure as a result of the growth in new developments within City limits. By the end of 2013, there were approximately 25 Servicing Agreements.

Assessment and Taxation Fees

The 2014 budget for assessment and tax fees is $234 thousand in total. The estimated revenue from tax certificates and search fees is $140 thousand. The fee for a tax certificate is $25. Included in the 2013 budget is an estimated $45 thousand in fees paid by mortgage companies for taxation services. A variety of other miscellaneous fees account for the balance of the assessment and taxation fee revenue. Fees are established in Schedule B of Bylaw 2003-69.

Parking Meter Fees

The budget for parking meter revenues for 2014 is $2.4 million, which reflects revenues associated with a meter rate increase of $1.00 per hour that will be brought into effect in 2014. The increase in rates brings Regina more in line with meter rates in other Canadian cities and off-street parking costs in the downtown.

The following table details parking meter revenue (budget and actual) since 2009.

Parking Meter Revenue ($000's)	2009	2010	2011	2012	2013	2014
Budget	1,340.0	1,400.0	1,400.0	1,400.0	1,400.0	2,383.3
Actual	1,447.4	1,388.4	1,353.8	1,433.4	1,426.5	-
Variance	107.4	(11.6)	(46.2)	33.4	26.5	(2,383.3)

Community Development, Recreation and Parks Services Revenue

The following table details Community Development, Recreation & Parks revenue (budget and actual) since 2009. The revenue includes the fees and charges for the Community Development, Recreation and Parks Department, not including Indoor Arenas.

Community Development, Recreation and Parks Revenue ($000's)	2009	2010	2011	2012	2013	2014
Budget	3,392.7	3,833.4	3,966.8	4,405.2	5,115.1	5,322.6
Actual	4,117.0	4,228.5	4,601.3	5,367.3	5,519.3	-
Variance	724.3	395.1	634.5	962.1	404.2	(5,322.6)

Fees and charges are developed through a process that determines cost-recovery levels that aim to establish an acceptable balance between user fees and taxpayer subsidy. Where the community at large benefits from an individual's use of a program or service (for example, where a recreation activity is aimed at children and youth and focuses on water safety), a higher level of tax subsidy is deemed to be appropriate than when it is primarily the individual who benefits from the use of the program or service (for example, where the activity is aimed at adults developing specialized skills). This is referred to as a benefits-based approach to establishing cost recovery levels.

To reflect this approach, cost recovery levels at the City of Regina for services that are less specialized and targeted mostly at children and youth – including outdoor pools, athletic fields, and neighbourhood centres – are established between 15 to 25%, with the community as a whole sharing between 75 to 85% of the cost through tax subsidies. Cost recovery levels for services that are more specialized – such as fitness and aquatic facilities, arenas, and the Neil Balkwill Civic Arts Centre are established at between 40 to 50%, with the community as a whole subsidizing between 50 to 60% of the cost through tax subsidies. Where other service providers exist in Regina, as for fitness and aquatics services, rates reflect the market value for those services. This ensures that the City's provision of services at subsidized rates does not discourage other organizations from providing similar services in the marketplace.

The City also offers an Affordable Fun Program, which provides further subsidies for citizens who experience financial barriers to participation. Through this program, individuals who meet established criteria are able to purchase leisure passes and register in programs at a subsidized rate.

The fees and charges strategy for sport, culture and recreation facilities is currently being reviewed and recommendations will be presented to committee and Council in 2014.

Arena Revenue

The 2014 budget for arena revenue is $2.45 million, an increase of $79 thousand over the 2013 budget.

The following table details arena revenue (budget and actual) since 2009.

Arena Revenue ($000's)	2009	2010	2011	2012	2013	2014
Budget	1,306.8	1,611.7	2,001.5	2,096.6	2,370.5	2,449.9
Actual	1,381.3	2,234.2	2,923.5	3,472.8	3,447.6	-
Variance	74.5	622.5	922.0	1,376.2	1,077.1	(2,449.9)

Other Fees and Charges

				Budget Change	
Revenue Source ($000's)	2013 Budget	2013 Actual	**2014 Budget**	Dollar Change	Per Cent Change
Council and Committees					
Board of Revision Fees	40.0	126.3	**40.0**	-	-
Development Appeals Fees	3.5	2.6	**3.5**	-	-
	43.5	128.9	**43.5**	-	-
Governance and Strategy					
Communications	9.0	6.7	**9.0**	-	-
City Clerk	0.4	1.6	**1.0**	0.6	150.0
Strategy & Performance	-	-	-	-	-
Legal	-	-	**175.9**	175.9	100.0
	9.4	8.3	**185.9**	176.5	100.0
Corporate Services					
Auction and Salvage	36.5	214.3	**36.5**	-	-
Towing & Vehicle Storage	422.5	457.3	**422.5**	-	-
Employee Parking	489.8	26.2	**489.8**	-	-
Facility Operating Agreements	9.0	4.9	-	(9.0)	(100.0)
Facility Charges - Sunset Library	118.3	104.8	**118.3**	-	-
False Alarm Fees	50.3	45.2	**50.3**	-	-
Claims Revenue re: Vandalism	5.0	5.0	**5.0**	-	-
Corporate Overhead Charge	727.3	1,543.6	**1,688.4**	961.1	132.1
Other Revenue	51.5	1,574.4	**51.8**	0.3	0.6
	1,910.2	3,975.7	**2,862.6**	952.4	49.9
Saskatchewan Lotteries Grant	236.6	305.1	**305.7**	69.1	29.2
Urban Aboriginal Grant	200.0	-	-	(200.0)	(100.0)
	436.6	305.1	**305.7**	(130.9)	(30.0)
Total	2,399.7	4,418.0	**3,397.7**	998.0	41.6

Board of Revision Fees

The Board hears appeals and makes decisions with respect to local improvements and property assessment appeals in accordance with *The Local Improvements Act, 1993* and *The Cities Act*. There are nine citizen members on the Board. The fees established by City Council in Bylaw 2003-69, pursuant to the authority in Section 196 of *The Cities Act*, are:

- $30.00 for each single family residential property.

- $30.00 per condominium unit.

- For all other properties, $150.00 for properties with a fair value assessment of up to $499,999. For properties with a fair value assessment of $500,000 to $1,000,000, the fee is $500.00 and for properties with a fair value assessment over $1,000,000, the fee is $750.00.

Fees are refundable if the appeal is successful. There are typically a substantial number of appeals in a reassessment year, with fewer appeals in the years following a reassessment.

Development Appeals Fees

The Development Appeals Board hears and considers appeals to zoning regulations. It carries the duties and powers as set forth in Bylaw 9250 and section 92 of *The Planning and Development Act, 2007*. There are five citizen members on the Board. The appeal fee is $50.00.

False Alarm Fees

Based on a recommendation from The Board of Police Commissioners, City Council passed Bylaw 2004-24, providing for false alarm fees of $75 for the third and fourth false alarm within a one year period. The Regina Police Service administers the alarm bylaw, but the fees are billed through the Financial Services Department.

Other Revenues

Operating Revenue Summary ($000's)

Revenue Source	2013 Budget	2013 Actual	**2014 Budget**	Budget Change Dollar Change	Budget Change Per Cent Change
Electrical Distribution	29,636.3	32,842.5	**30,836.3**	1,200.0	4.0
Gas Distribution	6,700.0	6,739.5	**5,800.0**	(900.0)	(13.4)
Interest	7,713.0	7,315.2	**12,307.9**	4,594.9	59.6
Tax Penalties	1,050.0	1,137.2	**1,050.0**	-	-
Local Improvement Interest	75.0	73.0	**75.0**	-	-
Interfund Transfers					
Utility Access Fee	7,380.9	7,380.9	**8,002.9**	622.0	8.4
Utility Administration	4,708.3	4,708.3	**5,501.0**	792.7	16.8
Buffalo Pound Water Admin. Board	32.6	25.3	**32.6**	-	-
Pension & Benefits Admin. Charges	-	(13.6)	-	-	-
Other		2,413.2	-	-	-
Transfer between funds		1,147.3	-	-	-
Transfers from Reserves					
General Fund Reserve	1,608.1	1,115.9	**1,680.5**	72.4	4.5
RRI - Stadium Reserve	839.5	865.1	**806.9**		-
Employee Provided Parking Reserve	44.0	-	**44.0**	-	-
Roadways SAF	92.0	93.8	-	(92.0)	(100.0)
Total	59,879.7	65,843.6	**66,137.1**	6,290.0	(20.0)

Electrical Distribution Revenue

The City receives from SaskPower a 10% municipal surcharge that is added to a customer's bill, and 5% of the SaskPower revenues within the city limits (called a payment in lieu of taxes).

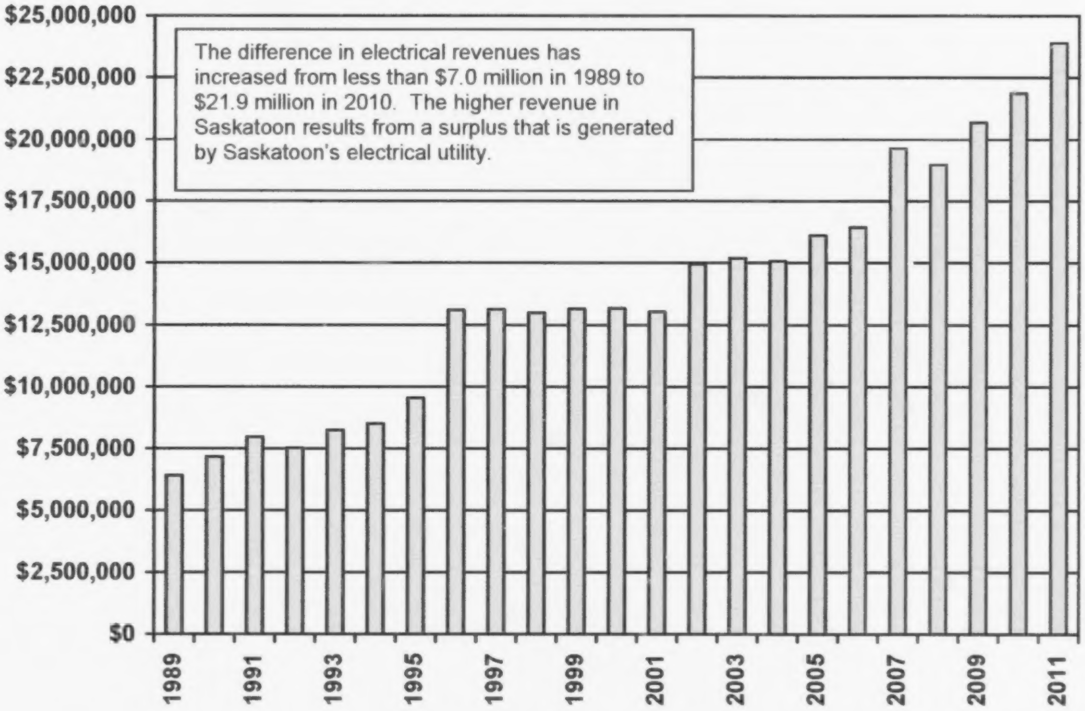
The projected revenue for 2014 is $30.8 million, an increase of $1.2 million or 4% over the 2013 budget. The 2014 revenue budget is based on a five-year average of the revenue received from SaskPower, after adjusting for rate changes over the five-year period.

The following table details the electrical revenue (budget and actual) since 2009.

Electrical Revenue ($000's)	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Budget	26,103.5	28,261.5	29,556.6	28,500.0	29,636.3	30,836.3
Actual	27,110.3	28,632.9	30,060.8	30,074.5	32,842.5	-
Variance	1,006.8	371.4	504.2	1,574.5	3,206.2	(30,836.3)

Electrical revenue is the major difference in the revenue available to Regina and Saskatoon. The next graph highlights the **difference** in electrical revenues in the two cities since 1989.

Difference in Electrical Revenues – Regina and Saskatoon


The difference in electrical revenues has increased from less than $7.0 million in 1989 to $21.9 million in 2010. The higher revenue in Saskatoon results from a surplus that is generated by Saskatoon's electrical utility.

Natural Gas Distribution Revenue

The City receives revenues from SaskEnergy and its subsidiary TransGas on the consumption of natural gas. For SaskEnergy, there is a 5% surcharge (payment in lieu of taxes) that is added to a customer's bill. For customers who do not purchase natural gas from SaskEnergy, but purchase from another supplier, TransGas delivers the natural gas and bills for the transportation cost. TransGas also collects a 5% payment in lieu of tax that is paid to the City. The amount is calculated on the costs of transportation, plus a deemed cost of gas calculated in accordance with regulations. In calculating the deemed cost of gas, the average cost of gas as determined by Saskatchewan Industry and Resources is used.

The TransGas payments with respect to the consumption by Consumers' Co-operative Refineries Limited (CCRL) and Newgrade Energy Inc. (NEI) are subject to an agreement dated October 3, 2000. The agreement was linked to the expansion of the refinery. Prior to the agreement taking effect, the payments from CCRL and NEI for direct purchases of natural gas was calculated on the total amount of natural gas purchased. The companies use natural gas for fuel (fuel stock) and in the production process (feedstock). The agreement provided that once the expansion was operational, natural gas used as feedstock would be eliminated from the calculation of the amount paid to the City, subject to a base amount. The payment to the City will be the greater of an average annual amount of $1,162,050 or the amount due on natural gas used as fuel.

The projected revenue for 2014 is $5.8 million, a decrease of $900 thousand or 13.4% over the 2013 budget. Assumptions used to generate the 2014 revenue budget are:

- The projected revenue from SaskEnergy is based on a five-year average, with the revenues over the five years adjusted for rate changes.
- The TransGas payment with respect to the consumption of natural gas by Consumers' Co-operative Refineries Limited and Newgrade Energy Inc. is based on the terms of the agreement, projected natural gas volumes provided by the two companies, and the average deemed cost of gas. Changes in the volume of fuel stock and/or the deemed cost of gas will affect the actual revenue received, subject to the base amount in the agreement.

The following table details the gas revenue (budget and actual) since 2009.

Gas Revenue ($000's)	2009	2010	2011	2012	2013	2014
Budget	10,013.5	8,655.0	5,398.5	6,800.0	6,700.0	5,800.0
Actual	8,532.1	6,875.1	6,644.6	5,620.3	6,739.5	-
Variance	(1,481.4)	(1,779.9)	1,246.1	(1,179.7)	39.5	(5,800.0)

There have been substantial variances between the revenue budget and actual revenue. The variances are for the most part related to the payments for direct purchase customers. Variability in the deemed cost of gas is the major factor. CCRL gas rates decreased over 50% from last year's pricing.

The following table details the deemed cost of gas since 2006 used in the calculation of the payments in lieu of taxes for direct purchase customers. In addition to the deemed cost of gas, there is an amount added to the deemed cost pursuant to regulations. The amount for 2008 was 13.3 cents per Gigajoule from January to August and 13.0 cents per Gigajoule from September to December.

Deemed Cost of Gas ($ per GJ)	2008	2009	2010	2011	2012	2013
January	6.278	6.258	4.671	3.539	2.926	2.850
February	6.678	5.737	5.186	3.652	2.582	2.803
March	7.189	4.812	5.041	3.619	2.162	2.800
April	7.728	4.028	4.259	3.366	1.812	2.940
May	8.495	3.395	3.724	3.460	1.602	3.360
June	9.168	3.114	3.488	3.482	1.622	3.250
July	9.400	3.102	3.546	3.670	1.830	2.840
August	9.940	2.967	3.606	3.578	1.930	2.400
September	7.662	2.740	3.340	3.431	2.130	2.170
October	6.548	2.471	3.174	3.401	2.020	2.580
November	5.916	3.094	3.282	3.259	2.450	2.580
December	6.328	4.082	3.238	3.215	3.070	3.200

Interest

Interest earnings are a combination of earnings on daily bank balances, short-term investments in a money market fund, and revenue from funds held in a long-term bond fund. The projected interest revenue is subject to change due to changes in cash balances and/or interest rates. It also includes earnings in the form of gains on the sale of bonds which, due to their nature, cannot be forecast in advance. **The 2014 budget for interest earnings is $12.3 million, an increase of $4.6 million over the 2013 budget**.

The following table details the interest revenue (budget and actual) since 2009.

Interest Revenue ($000's)	2009	2010	2011	2012	2013	2014
Budget	3,066.1	5,066.1	5,066.1	8,319.0	7,713.0	12,307.9
Actual	7,680.9	10,948.2	6,907.2	9,470.8	7,315.2	-
Variance	4,614.8	5,882.1	1,841.1	1,151.8	(397.8)	(12,307.9)

Tax Penalties

Tax penalties are applicable to current taxes that are not paid by June 30 each year and tax arrears. The exception for current taxes is where a property owner is paying taxes through the TIPPS program. The penalty rate for current taxes is 1.25% per month, with a rate of 1.5% per month for tax arrears.

The 2014 budget for tax penalties is $1.05 million, no change over 2013. Penalties for current taxes have decreased in recent years as more customers (both residential and non-residential) make use of the monthly tax payment program (TIPPS) and as tax arrears decline. The following table details the tax penalty revenue (budget and actual) since 2009.

Tax Penalty Revenue ($000's)	2009	2010	2011	2012	2013	2014
Budget	1,165.0	975.0	975.0	975.0	1,050.0	1,050.0
Actual	962.0	991.9	1,010.8	1,014.1	1,137.2	-
Variance	(203.0)	16.9	35.8	39.1	87.2	(1,050.0)

Taxicab Lotteries

In 2014, there will be two lotteries held (six temporary taxicab licences approved by City Council on July 8, 2013 and six accessible taxicabs licences hopefully approved in early 2014). Based on the previous lottery held in 2012, the six temporary taxicab licences is expected to generate $30,000. It is unknown how much interest the six accessible licences will generate.

Water and Sewer Utility Transfers

Transfers from the Water and Sewer Utility include:

- An Access Fee paid to the General Operating Fund, and
- A Utility Administration Charge.

The **Access Fee** is calculated based on 7.5% of the previous years budgeted revenues from billed water consumption, wastewater charges and drainage infrastructure levy and the amount of $675,000, estimated to be 3/7ths of the GST rebate received by the Utility. This amount is the additional rebate provided by the Federal Government starting in 2004.

The **Utility Administration Charge** is calculated as 5% of the budgeted utility revenues for the prior year. Most corporate functions (City Council, Committees, City Manager, Human Resources, City Solicitor's Office, City Clerk's Office, Accounting, Budgeting, and Purchasing) are involved in issues or activity related to the Water and Sewer Utility. The percentage transfer is used in lieu of a more detailed cost allocation process. A more detailed process would still involve arbitrary decisions, and would significantly increase the effort and hence cost required as compared to the current policy. . In 2014, this charge also includes $357 thousand for the cost of the referendum held in 2013.

For 2014, the utility transfers are $13.5 million, an increase of $1.4 million over the transfers in 2013.

The next table provides details on the utility transfers since 2009.

Water & Sewer Utility Transfers ($000's)	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Access Fee paid to the General Operating Fund						
Base Access Fee	4,761.3	5,198.9	5,701.9	6,206.2	6,705.9	7,327.9
GST Rebate Transfer	675.0	675.0	675.0	675.0	675.0	675.0
Total Access Fee paid to the General Operating Fund	5,436.3	5,873.9	6,376.9	6,881.2	7,380.9	8,002.9
Utility Administration Charge Transfer	3,519.5	3,519.5	3,853.4	4,350.3	4,708.3	5,501.0

Transfers from Reserves

At 2013 year end, the General Fund Reserve has a budgeted balance of $28.6 million.
The General Fund Reserve is the primary general-purpose reserve maintained by the City. The major sources of transfers to the reserve are the operating surplus and unexpended capital funds that are returned to the reserve. Future inflows to the General Fund Reserve may be reduced by using previous year's surplus to fund current year one-time operating expenditures or new capital projects or previously approved capital projects. A General Fund Reserve balance of $18.5 million to $37.0 million representing 5% to 10% of budgeted revenues is the suggested preferred minimum balance.

The following table provides a projection for the General Fund Reserve.

General Fund Reserve ($000's)

	2014	2015	2016	2017	2018
Reserve Balance - Start of Year	27,161	18,900	18,900	18,900	18,900
General Operating Budget:					
2014 One-Time Operating Requirements					
Change in Funding from Mill Rate to Reserve	1,000.0	-	-	-	-
North American Indigenous Games	250	-	-	-	-
Boundary Alteration Implementation	431				
Funding Required for Capital Program:					
Regina Police Service Capital Program	970	-	-	-	-
R.M. of Sherwood Tax Loss Compensation	5,610				
Reserve Balance - End of Year	18,900	18,900	18,900	18,900	18,900
Assessment Appeal Risk[1]	-	-	-	-	-
Adjusted Reserve Balance	18,900	18,900	18,900	18,900	18,900

Note:

1. *Assessment Appeal Risk -No provision has been made in the 2014 General Operating Budget for the cost of lost assessment appeals arising from the 2014 Assessment Roll. If the cost of lost assessment appeals causes a deficit in the 2014 fiscal year, then that deficit must be eliminated by a transfer from the General Fund Reserve to the General Operations Fund. The contingent liability for assessment appeals outstanding at December 31, 2013 was approximately $2.4 million a $0.5 million reduction from the previous year.*

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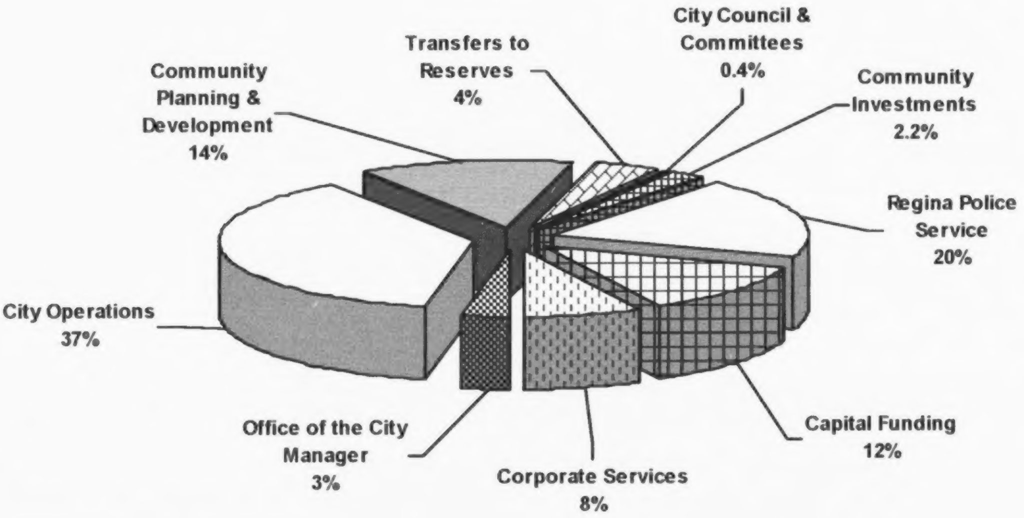
General Operating Expenditures

General Operating Expenditures

Operating Expenditure Summary ($000's)

Expenditures	2013 Budget	2013 Actual	**2014 Budget**	Budget Change Dollar Change	Budget Change Per Cent Change
City Council and Committees	1,670.4	1,476.0	**1,607.2**	(63.2)	(3.8)
Office of the City Manager	11,060.4	10,451.0	**11,328.9**	268.5	2.4
City Operations	130,642.1	131,138.5	**138,991.1**	8,349.0	6.4
Corporate Services	27,513.8	26,765.9	**28,297.9**	784.1	2.8
Community Planning & Development	46,602.2	50,050.5	**50,645.3**	4,043.1	8.7
Civic Operating Expenditures	217,488.9	219,881.9	**230,870.4**	13,381.5	6.2
Community Investments	8,150.9	7,877.8	**8,194.4**	43.5	0.5
Capital Funding	33,143.0	29,567.1	**43,785.6**	10,642.6	32.1
Transfers to Reserves	12,895.0	30,794.3	**15,265.2**	2,370.2	18.4
Civic Other Expenditures	54,188.9	68,239.2	**67,245.2**	13,056.3	24.1
Total Civic Expenditures	271,677.8	285,590.1	**298,115.6**	26,437.8	9.7
Regina Police Service	69,205.5	70,520.5	**73,046.9**	3,841.4	5.6
Total General Operating Expenditures	340,883.3	356,110.6	**371,162.5**	30,279.2	8.9

2014 Operating Expenditures

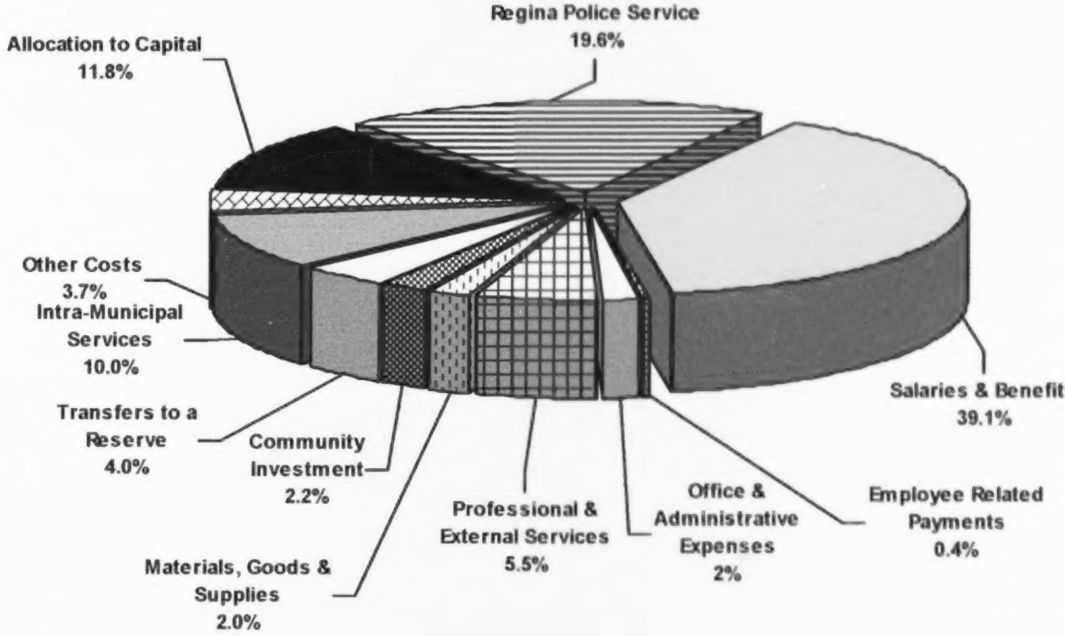


Operating Expenditure Summary ($000's) by Type of Expenditure

				Budget Change	
Expenditures	2013 Budget	2013 Actual	**2014 Budget**	Dollar Change	Per Cent Change
Salaries & Benefits	139,511.4	133,287.6	**145,431.7**	5,920.3	4.2
Employee Related Payments	1,261.6	1,344.9	**1,399.6**	138.0	10.9
Office & Administrative Expenses	6,677.3	8,002.0	**6,033.8**	(643.5)	(9.6)
Professional & External Services	15,324.7	15,447.2	**19,727.9**	4,403.2	28.7
Materials, Goods & Supplies	6,956.3	6,908.3	**7,447.4**	491.1	7.1
Utilities and Other Costs	13,999.3	16,480.3	**13,884.7**	(114.6)	(0.8)
Intra-Municipal Services	33,758.3	35,504.8	**37,005.3**	3,247.0	9.6
Civic Operating Costs	217,488.9	216,975.1	**230,930.4**	13,441.5	6.2
Community Investment	8,150.9	8,253.6	**8,171.9**	21.0	0.3
Allocation to Capital	33,143.0	29,567.1	**43,748.1**	10,605.1	32.0
Transfers to Reserves	12,895.0	30,794.3	**15,265.2**	2,370.2	18.4
Civic Other Expenditures	54,188.9	68,615.0	**67,185.2**	12,996.3	24.0
Total Civic Expenditures	271,677.8	285,590.1	**298,115.6**	26,437.8	9.7
Regina Police Service	69,205.5	70,520.5	**73,046.9**	3,841.4	5.6
Total General Operating Expenditures	340,883.3	356,110.6	**371,162.5**	30,279.2	8.9

2014 Operating Expenditures

(thousands of dollars)



Why Have Expenditures Increased?

The increase in expenditures (2014 budget to 2013 budget) is about $30.3 million, or an increase of 8.9%. Details of the increase are provided in the next table and the discussion that follows.

Summary of Expenditure Increases – 2013 to 2014

	Amount of Increase		Per Cent Increase
Salaries and Benefits:			
City Council	20,900		
Office of the City Manager	364,300		
Corporate Services	654,600		
City Operations	480,100		
Planning & Development	1,922,100		
Subtotal		**3,442,000**	**1.6%**
Operating Expenditure Changes:			
Employee Related Payments	101,000		
Office & Administrative Expenses	(979,000)		
Professional & External Services	982,500		
Materials, Goods & Supplies	256,300		
Other Costs	313,000		
Intra-Municipal Services	3,127,400		
Subtotal		**3,801,200**	**1.7%**
Uncontrollable Price Increases	139,000	**139,000**	**0.1%**
One-time and Ongoing			
2014 One-time and Ongoing	4,543,600		
Delete 2013 One-time Investments	(1,431,200)		
Subtotal		**3,112,400**	**1.4%**
Waste Plan Regina Implementation	3,168,200	**3,168,200**	**1.5%**
Civic Operating Increase		**13,662,800**	**6.3%**
Community Investment		**21,000**	**0.3%**
Allocation to Capital			
Current Contribution to Capital	6,071,100		
Debt Costs	4,534,000		
Subtotal		**10,605,100**	**32.0%**
Transfers to Reserves		**2,148,900**	**16.7%**
Total Civic Budget Increase		**26,437,800**	**10.7%**
Regina Police Service Budget Increase		**3,841,400**	**5.6%**
Total Operating Budget Increase		**30,279,200**	**8.9%**

Salary and Benefits

The increase in the civic portion of the budget for salaries and benefits of about $3.4 million is projected based on:

- New collective agreements for the following civic unions were reached during 2014: CUPE Local 7, CUPE Local 21, Amalgamated Transit Union Local 588, and the Regina Professional Firefighters Association, Local 181, International Association of Firefighters. The agreement with the Civic Middle Management Association expires in 2014.
- The City is facing the same impacts as other employers from the shortage of labour resulting from demographic trends and the economic growth in Western Canada.
- Salary and benefit costs have increased in part due to merit increases provided in collective agreements and classification changes.

The next table provides a summary of the staff complement reflected in the General Operating Budget for 2013 and 2014.

The staff complement in the table does not include positions funded through other budgets, including the Water and Sewer Utility Budget, the Costing Fund Budget or the General Capital Budget.

General Operating Budget Staff Complement (FTE's)

	2013			2014			
Department	**Permanent**	**Casual**	**Total**	**Permanent**	**Casual**	**Total**	**Change**
Civic Administration							
City Council & Committee	6.0	1.0	**7.0**	6.0	-	**6.0**	(1.0)
Office of the City Manager	67.0	0.6	**67.6**	68.0	0.1	**68.1**	0.5
Corporate Services	277.0	20.3	**297.3**	284.0	20.3	**304.3**	7.0
Community Planning & Development	270.4	131.9	**402.3**	285.4	134.6	**420.0**	17.7
City Operations	821.3	128.7	**950.0**	825.6	132.9	**958.4**	8.4
Civic Total	1,441.7	282.5	**1,724.2**	1,469.0	287.9	**1,756.8**	32.6
Regina Police Service	542.0	22.6	**564.6**	545.0	22.0	**567.0**	2.4
Total	1,983.7	305.1	**2,288.8**	2,014.0	309.9	**2,323.8**	35.0

The changes in the staff complement for the Civic Administration include:

In City Council and Committees

- Removal of 2013's temporary addition of a Clerk Typist IV (-1.0 FTE) to support the Board of Revision during 2013

In the Office of the City Manager, the changes are as follows:

- An addition of Manager, Strategy & Operations for the Regina Revitalization Initiative (1.0 FTE)
- An addition of Administration Assistant (1.0 FTE), no additional cost for this position as the position is being paid for through cost reallocations from the three divisions.
- Removal of a Strategy & Performance consultant (-1.0 FTE). The associated funding for this the position has reallocated to the strategic innovation fund.
- Removal of 2013's temporary addition to the Communications Branch (-0.50 FTE).

In Corporate Services, the changes are as follows:

- Addition of a permanent Maintenance Coordinator required to support the advancement of the branch by providing a level of support between the front line staff and management (1.0 FTE).
- Addition of a permanent HVAC Specialist to address the service gap in the maintenance of the computer-based systems that control heating, ventilation and air conditioning in the major facilities of the City (1.0 FTE).
- Addition of a permanent Fleet Training Officer to support fleet training programs. A second Fleet Training Officer is required to allow more employees to be trained/retrained while reducing the waiting times (1.0 FTE).
- Addition of a permanent Programmer Analyst is required to support the growing demand on IT resources for support as a result of the growth in technology and number of users. This will reduce the amount of support provided through overtime (1.0 FTE).
- A permanent Policy & Procedure Analyst is required in Finance due to the large number of projects in the area such as asset reporting, Corporate Payment Collection System, WWTP, RRI and budget, purchasing and payables system upgrades there is increased demand to update or develop new policies and procedures to ensure adherence to new/emerging issues and updated legislation (1.0 FTE).
- Addition of a permanent Building Services Analyst in the Building Services Branch. This is a new position required to support for the day-to-day office space management, employer provided parking, furniture inventory and to support the corporate facility security program (1.0 FTE).
- A permanent Utility Billing Clerk is required to manage the administration of billing for the property-side recycling program to 65,000 residents. In 2013, this position was added temporarily and it has been determined the position is required on an on-going basis (1.0 FTE).

In Community Planning & Development, the changes are as follows:

- A permanent addition of staff to support inter-municipal planning. A Manager and two Senior Engineers are required to develop and implement regional plans with the various rural municipalities that border the City of Regina (3.0 FTE).
- A permanent addition of staff in the Building Standards Branch to support the growth in permit activities which are required to maintain service levels and achieve performance targets (4.0 FTE).
- A permanent addition of staff in the Neighbourhood Planning Branch to support the City's housing initiatives and implementation of a Comprehensive Housing Strategy (2.0 FTE).
- An addition of a permanent FTE in parking enforcement (1.0 FTE)
- Addition of open space staff to support the new open spaces added because of the subdivision development in the City. (1 Permanent & 1.56 Casual FTE)
- Addition of a permanent Infill Inspector to support inspections related to in-fill development due to the significant increase in the amount of in-fill activity (1.0 FTE).
- Permanent addition of a Development Control Officer as a result of growth in development within the City (1.0 FTE)
- A permanent Bylaw Standards Officer to maintain the level of bylaw within the City as a result of growth (1.0 FTE)

- A permanent Licensing Officer is required to manage the issuance, tracking and enforcement of business licenses to resident and non-resident businesses within the City (1.0 FTE).
- A permanent reduction of 0.5 FTE as a result of converting 1.5 FTE's from the Assessment and Taxation Branch into a Senior Assessment Appraiser to keep up with the increased volumes in assessments.
- A permanent addition of 0.5 FTE in Bylaw Enforcement resulting from the City's boundary alteration (0.5 FTE)
- Addition of casual staff to support the assumption of Rambler Park operations from the Rambler Park Development Association (1.17 Casual)

In City Operations, the changes are as follows:

- An addition of 0.25 Casual FTE to provide additional maintenance for the Regent park Basketball Courts.
- An addition of 3.0 Casual FTE to Concrete Services to maintain service levels due to growth
- An addition of 2.80 FTE (2.32 Permanent FTE and 0.48 Casual FTE) for boundary alteration implementation. The additional work created by altering the municipal boundary includes grid road maintenance, signs, plowing and snow removal.
- An addition of 2.0. Permanent FTE for Asphalt Maintenance to maintain service levels due to growth in the roadway network as a result of subdivision development.
- An addition of 0.30 Casual FTE for Street Sweeping to maintain service levels due to growth in the roadway network as a result of subdivision development
- An addition of 0.10 Casual FTE to maintain new facilities at the landfill.

Ongoing and One-time Investments

The net increase in the 2014 expenditure budget attributable to 2014 ongoing and one-time investments totals $3.9 million. Ongoing investments refer to additions to the base budget that will also be required for future years. One-time investments refer to one-time requirements for the 2014 budget only. The ongoing and one-time investments are described in further detail in the divisional operating expenditure summaries in the following sections.

The total cost of ongoing investments is $3.3 million, which is partially offset, by an increase in revenue of $261 thousand. The cost of one-time investments is $2.07 million, which is partially offset by an increase in revenue of $150 thousand. These investments align with City Council's Vision.

Waste Plan Regina Annualization

Also included in the 2014 expenditure budget is $3.17 million for the annualization of the cost associated with implementing the curbside recycling program.

Since 2008, the City of Regina has been listening to residents' opinions and researching the best options for an easy, cost-effective recycling service. The City of Regina is moving forward with its Waste Plan for a Greener Regina to reduce waste at the landfill and make our community more sustainable. Waste Plan Regina includes curbside recycling, which will begin in July 2013 for all residents that have City garbage collection. By 2016, Waste Plan Regina will also include programs for recycling for multi-family homes, leaf and yard waste, household hazardous waste and bulky waste.

City Council and Committees

Overview

City Council is responsible for the governance of the City of Regina, subject to Provincial legislation. Members of City Council are now elected every four years in a municipal election with the last election held on October 24, 2012. The Mayor is elected at large. The City of Regina uses a ward system for electing Councillors, with the city divided into ten wards and one Councillor elected in each ward. City Council establishes policies and budgets for the programs and services delivered by the City of Regina. City Council and Committees includes the budgets for:

- The Mayor's Office
- City Council, including the remuneration of the Councillors, the Councillors' travel and communication allowance, support services and other costs related to City Council
- Committees established by City Council
- Memberships in various organizations, including the Saskatchewan Urban Municipalities Association and the Federation of Canadian Municipalities

Operating Expenditure Summary ($000's)

				Budget Change	
Expenditures	2013 Budget	2013 Actual	**2014 Budget**	Dollar Change	Per Cent Change
Mayor's Office[1]	660.7	678.2	**675.2**	14.5	2.2
City Council[1]	581.6	539.2	**638.6**	57.0	9.8
Committees	287.4	111.8	**163.4**	(124.0)	(43.1)
Corporate Memberships	120.0	146.8	**130.0**	10.0	8.3
Jinan Twinning	20.7	-	-	(20.7)	(100.0)
Total Operating Expenditures	1,670.4	1,476.0	**1,607.2**	(63.2)	(3.8)
Transfers to a Reserve	36.3	36.3	**36.3**	-	-
Total Expenditures	1,706.7	1,512.3	**1,643.5**	(63.2)	(3.7)

Note:

1. *City Council adopted Bylaw 2001-108 that established, effective January 1, 2002, a formula for the remuneration of the members of City Council. The Mayor's remuneration is 77.3% of a Provincial Cabinet Minister's salary for the prior year. The remuneration for a Councillor is one-third the remuneration of the Mayor.*

By Expense Object

Expenditures (000's)	2013 Budget	2013 Actual	**2014 Budget**	Budget Change Dollar Change	Budget Change Per Cent Change
Salaries & Benefits	1,116.2	893.3	**1,012.1**	(104.1)	(9.3)
Employee Related Payments	150.6	168.3	**210.6**	60.0	39.8
Office & Administrative Expenses	263.4	252.8	**249.5**	(13.9)	(5.3)
Professional & External Services	48.3	96.7	**48.3**	-	-
Materials, Goods & Supplies	16.8	18.5	**16.8**	-	-
Other Expenditures	27.8	19.0	**22.6**	(5.2)	(18.7)
Intra-Municipal Services	47.3	27.4	**47.3**	-	-
Total Operating Expenses	1,670.4	1,476.0	**1,607.2**	(63.2)	(3.8)
Transfer to a Reserve	36.3	36.3	**36.3**	-	-
Total Expenditures	1,706.7	1,512.3	**1,643.5**	(63.2)	(3.7)

Staff Complement

Full Time Equivalents	2013	2014
Permanent	6.0	6.0
Casual	1.0	-
Total	7.0	6.0

Analysis of Operating Expenditure Budget Change

Details	($000's)
2013 Budget	1,706.7
1 Salaries & Benefits - Includes cost changes resulting from in range progression increases, classification reviews and employer benefit costs. (Base)	(22.2)
2 Benefit expense related to overtime and premium pay. (Base)	1.1
3 Uncontrollable Price Increases - Are those increases in expenditures that are due to price not volume. This increase cannot be managed by doing less, renegotiating a different price or going to a different supplier. (Base)	1.2
4 Remove 2013 One-Time Expenses (Base)	(83.0)
5 Remove Jinan Twinning Budget (Base)	(20.7)
6 Increase in Membership, Courier and Postage Costs (Base)	10.4
7 Increase in Travel and Communication Expenses (Base)	50.0
2014 Budget	1,643.5

Note:
Base request funding – represents an increase in cost necessary to maintain current service levels.
Ongoing request funding – represents expenditures that would be ongoing past the current budget year.
One-time funding – represents one-time expenditures for the current budget year.

Community Investments

Overview

Community investments are payments to individuals or organizations for a variety of purposes allocated through the following Committees:

- The Community Planning & Development Division, through delegated authority from the Community & Protective Services Committee, provides financial support to community associations and organizations that provide arts, cultural, recreation, and community services along with organizations that address social issues.
- The Finance and Administration Committee provides financial support for economic and promotional purposes.
- The Executive Committee provides financial support for special events. The Executive Committee also provides funding to the Regina Exhibition Association Limited for capital purposes, funding to the Regina Regional Opportunities Commission (RROC) and funding to Wascana Centre Authority.

City Council determines the total allocation for the year, and the allocation to each Committee.

Operating Expenditure Summary ($000's)

				Budget Change	
Expenditures	2013 Budget	2013 Actual	**2014 Budget**	Dollar Change	Per Cent Change
Community & Protective Services Committee	3,391.1	3,014.3	**3,359.6**	(31.5)	(0.9)
Finance and Administration Committee					
Henry Baker Scholarships	19.0	19.0	**19.0**	-	-
Other Economic & Promotional Initiatives[1]	255.0	255.0	**265.0**	10.0	3.9
	274.0	274.0	**284.0**	10.0	3.6
Executive Committee					
Evraz Place	400.0	400.0	**400.0**	-	-
North American Indigenous Games	250.0	250.0	**250.0**	-	-
Juno Awards	175.0	175.0	**-**	(175.0)	(100.0)
Paragon Awards	-	-	**5.0**	5.0	100.0
City of Regina Writing Award	-	-	**7.0**	7.0	100.0
Mayor's Arts & Business Award	-	-	**10.0**	10.0	100.0
Saskatchewan Book Awards	-	-	**3.0**	3.0	100.0
Special Events	150.0	150.0	**125.0**	(25.0)	(16.7)
Corporate Sponsorship Program	50.0	50.0	**50.0**	-	-
Regina Regional Opportunities Commission	922.9	922.9	**1,122.9**	200.0	21.7
Wascana Centre Authority	2,537.9	2,388.3	**2,577.9**	40.0	1.6
	4,485.8	4,336.2	**4,550.8**	65.0	1.4
Transfer to Reserve		253.3		-	-
Total	8,150.9	7,877.8	**8,194.4**	43.5	0.5

Note:

1. The 2014 Budget includes funding of $5,000 for SUMA and $5,000 for SARM.

Capital Funding

Overview

The City funds a portion of the General Capital Program through contributions from the operating budget. The operating budget also funds the repayment of debt costs for debt issued to fund capital projects. In accordance with Section 129(1) of *The Cities Act*, the budget is to include "**the amount to be transferred to the capital budget**". In accordance with Section 129(1)(b) the budget is also to include "**the amount needed to pay all debt obligations with respect to borrowings of the city**".

The contributions to capital include two components:

- The contribution to capital to fund the capital budget as submitted by the Board of Police Commissioners.
- The contributions to capital to fund the civic portion of the General Capital Program excluding the capital program for the Regina Police Service.

Further details of the 2014 General Capital Investment Program are summarized under each Division within this document, and detailed in the 2014 – 2018 General Capital Program document.

Operating Expenditure Summary ($000's)

				Budget Change	
Expenditures	2013 Budget	2013 Actual	**2014 Budget**	Dollar Change	Per Cent Change
Contributions to Capital - Civic	24,196.6	24,196.6	**29,432.4**	5,235.8	21.6
Contributions to Capital - Police	1,165.2	1,165.2	**2,000.5**	835.3	71.7
Debt Charges[1]	7,781.2	4,205.2	**12,352.7**	4,571.5	58.8
Total	33,143.0	29,567.0	**43,785.6**	10,642.6	32.1

Note

1. *Debt charges includes debt payments related to financing for the General Capital Program $5.063 million as well as the Stadium Project $7.29 million. Debt payments for the Stadium Project are funded by a dedicated 0.45 % mill rate increase, any interest revenue earned by the project and by a withdrawal from the Stadium Project Reserve. The funding and financing model for the Stadium Project was approved by City Council January 28, 2013.*

Office of the City Manager

Mandate

The Office of the City Manager is Council's link to the Administration. The Office provides executive direction, strategic guidance, and governance support to the Corporation and its officials. It facilitates in the areas of government relations, communications and strategy development and execution. The Office also provides advice and support on matters of municipal governance, strategy and protocol, and ensures the City operates according to its legislative requirements.

Overview

The management of the civic administration of the City of Regina (excluding the Regina Police Service) is the responsibility of the City Manager. Appointed by City Council, the City Manager's authority is established by the City Manager's Bylaw 2003-70 and the Regina Administration Bylaw 2003-69.

Within the overall structure of the Office of the City Manager are the Legal Department and the Governance & Strategy Department as well as the Regina Revitalization Initiative Business Unit.

- The Legal Department provides legal services and protects the legal interests of the Corporation while advancing business and strategic objectives. The Legal Department includes the following branches reporting to the Executive Director, Legal:
    - The Prosecutions Branch prosecutes all bylaw offences and administers the Regina Municipal Division of Provincial Court.
    - The Risk Management Branch is responsible for the oversight of risk management and loss prevention measures for the City of Regina and Regina Police Service, investigation of all claims by and against the City and administering the placement of insurance coverage for the City of Regina.
- The Governance and Strategy Department includes the following branches reporting to the Executive Director, Governance & Strategy:
    - The Office of the City Clerk – ensures Council is advised of its legislative responsibilities, assuring the provision of public notice, the execution of corporate documents, attending all Council meetings, and maintaining minutes, safely maintaining all City bylaws; records related to the business of City Council and Committees. This office also provides legislative advice and support to all City Divisions, departments and branches concerning the public's right to access corporate information, the protection of privacy of individuals and the management and historical preservation of corporate records and information.
    - Communications – leads the development of communications and marketing strategies and activities to provide useful information to the pubic about the City's programs and services and how to access them. Communications is also responsible for establishing a new "Public Involvement" function, which will manage and coordinate the processes for involving the public or stakeholders in decisions.
    - Government Relations – provides a central point of contact for ongoing relationships with stakeholders, including the Provincial and Federal Government, surrounding municipalities, other

local governing bodies, Aboriginal organizations, SUMA, Federation of Canadian Municipalities, and "twinned" or partner municipalities.

  - Strategy Management – The branch's primary objective is to ensure that City Administration is set up for success in delivering on the City's vision and strategy, ultimately contributing to value for citizens. The branch does this by:
    - Coordinating and facilitating the development, deployment, and performance reporting of corporate strategy
    - Providing management across the City with access to neutral, objective advice that is informed by a corporate perspective.
    - Sharing information about corporate initiatives, expectations and standards
    - Supporting project integration
    - Providing expertise in strategy, policy, critical thinking and change management
    - Providing Council with decision support
  - Strategy Management Branch also provides direct support to the City Manager in areas such as research and thought leadership.

- Regina Revitalization Initiative (RRI) business unit is resourced by the Office of the City Manager and is responsible for the RRI Program. Over the next 10-15 years, the program will realize a generational opportunity to revitalize the heart of our city by converting industrial and underused lands into a vibrant and energetic residential, commercial and retail development. The program is organized in three distinct but interconnected project pillars that when fully implemented will connect neighbourhoods, facilities and people with opportunities to live, play and invest.
  - The Stadium Project is the start of the revitalization initiative and will result in the construction of a replacement for Mosaic Stadium at Evraz Place. The project is being accomplished over a six year timeframe (2012-2017) at a cost of $278 million dollars.
  - Relocating the new stadium to Evraz Place, will free up 20 acres of prime land within walking distance of downtown in the North Central Community. Over 15 years, this site will be redeveloped into Taylor Field Neighbourhood, a new community with a wide range of housing options to meet the diverse needs of our growing population.
  - The Railyard Renewal Project opens up 17.5 acres, along Dewdney Avenue, on the CP container yard for redevelopment. Here, we will expand Regina's entertainment district and build a new walkway to connect this vibrant area to downtown. This project is being accomplished over 12 years with the redevelopment expected to be completed by 2025.

Key Facts

- In 2013, the City of Regina's use of on-line and interactive communications tools continued to grow:
  - The City of Regina website received more than 1.76 million visits (an increase of 260 thousand visits) and, according to the annual citizen survey, it remains the first choice of residents when seeking information about City programs and services;
    - Access by mobile devices (tablets or smartphones) increased 100 per cent and represents 49 per cent of Regina.ca's traffic
  - The City Facebook page is approaching 27 thousand users, and continues to be the largest Facebook page of all Canadian municipalities;

    - City YouTube videos have now been viewed over 100 thousand times

  - The City has about 21 thousand Twitter followers, a significant increase from 11 thousand at the end of 2012;

  - In February of 2012, the City launched its Open Government Initiative that includes an open data portal, an open information page and our social channels. Our efforts were recognized with the Culliton "Right to Know" Award from the Information and Privacy Commissioner of Saskatchewan.

- Administrative and procedural support was provided for City Council, three quasi-judicial boards and 16 committees.

- In 2013, 287 agendas were created and delivered to elected officials and citizen members of committees. Administrative support was provided for an average of 23 meetings per month or 270 meetings.

- The Office of the Executive Director, Legal provided legal support on a number of projects of strategic importance for the City.

2013 Highlights

Operational Highlights

- The City of Regina prepared a 4 year strategic plan to guide its budget planning and decision making for the period from 2014 to 2017 using the Balanced Scorecard methodology. Under the leadership of Strategy Management, the new strategic plan is supported by a performance measurement and reporting process that is cascaded throughout the organization.

- The Strategy Management Branch, with support from Human Resources, developed a comprehensive environmental scan to support the development and review of a long-term strategic plan.

- The Strategy Management Branch provides public policy support and advice to divisions and departments where required, particularly by assisting in the shaping of options and analysis for City Council.

- The Strategy Management Branch provided analysis and project management support for three critical projects over the course of 2013 – the Comprehensive Housing Strategy; the annexation of lands to support the new Official Community Plan; and the construction of the Wastewater Treatment Plant.

- Communications developed and implemented communications strategies for major initiatives such as the Regina Revitalization Initiative (RRI), Design Regina, the City's new Official Community Plan, construction of a new Sewage Treatment plant for the City and launched a social marketing campaign to support Waste Plan Regina, the City's new plan for waste and recycling services. Communications also continued to increase the profile of the City and the corporation at events such as I Love Regina Day, the Home and Garden Show and Grey Cup 101, the Celebration in Rider Nation.

- Communications staff were the recipients of a Gold Medal from the prestigious Government Technology Awards in the category of "Next Generation Leadership".

- The City of Regina continued to work with First Nation communities, through the exploration of municipal service agreements, to advance and promote economic development in urban reserves to benefit our community as a whole.

- The Office of the City Clerk implemented technology to facilitate paperless (electronic) meetings, including live video streaming of City Council meetings in 2012. Phase II of the project is underway and will include a workflow module for reports and a committee manager module for the citizen appointment process.

- In 2013, the Office of the City Clerk was responsible for planning and operating a Referendum on the Waste Water Treatment Plant. This process is almost identical to a municipal election and was carried out in a six week time frame.

- The Office of the City Clerk also began a governance review of City Council's committee structure that will be considered in 2014.

- The Office of the City Clerk's Corporate Information Governance branch launched an initiative to introduce electronic document and records management (EDRMS) options for electronic information management. This project will continue throughout 2014, with a number of business units already signed up to participate.

- To reinforce its commitment to transparent and accountable government practices, the City launched the province's first Open Government program in February 2012. The program consists of three components: Open Data, Open Information and Open Dialogue. There are currently 24 data sets and 35 public interest topics available on the Open Government website, including Wastewater Treatment Referendum results, Mayor and councillor expense reports and Public Accounts,

  Access to information requests are tracked through the Office of the City Clerk as "formal" and "informal" requests. As of December 13, 2013, the Office of the City Clerk received and processed 53 Formal requests and 29 informal requests, The Health Department file special project concluded at the end of September 2013 with 32 requests processed during the year. The volume of formal and informal requests received and processed through this area continues to increase. There were also 60 documented consultations; 8 privacy risk assessments initiated; eight privacy quick assessments completed; eight privacy incidents investigated and four sessions of privacy training delivered for specific groups. A privacy training module is also under development for 2014 delivery.

- The City of Regina Historical Collection went "virtual" on November 15, 2013. As of December 13, 2013, over 450 images were available for viewing online 24-7. Since the launch, the collection, which is hosted by *Eloquent* Systems Inc., has been accessed hundreds of times by users from all over the world. Scanning of the millions of documents in the historical collection will continue with records uploaded to *Eloquent* on an ongoing basis. The relocation of the archival collection to secure storage began at the end of 2013. Once the move is complete in 2014, the building, located at 2390-2nd Avenue, will be returned to the City's real estate inventory, resulting in an expected cost savings of approximately $50,000 annually.

- The number of corporate records being housed by the City at Crown Enterprises Ltd., Regina, has represented a growing budget cost. Significant efforts have been made to reduce these costs with ongoing disposals over the past few years. In 2011, there were 26,749 boxes of corporate records stored at the off-site storage facility, costing roughly $150 thousand per year. Due to process improvements as well as a focused clean-up initiative to dispose of records that had reached required retention criteria, this cost was reduced to $138 thousand in 2012. In 2013,a further 1,220 boxes were disposed of, including 72 boxes containing over 6,000 reels of microfilm, 8 boxes of microfiche, and approximately 27 cubic feet of obsolete computer backup formats. Storage of micrographics material at Crown in 2014 will consist only of records which have a retention of over 100 years, a change that will save about $300 per month. Currently there are 24,524 boxes at offsite storage. Crown storage costs for 2013 are expected to be approximately $140 thousand.

- The Risk Management Branch of the Legal Department has investigated 1,307 incidents, settled 114 third party claims, and paid out a total of $116 thousand, as of December 2013.
- The Prosecutions Branch of the Legal Department has had 601 charges in court with fines assessed of $48 thousand in as of December 2013.
- In 2013, the Regina Revitalization Initiative (RRI) focused on the Stadium Project; specifically, procuring the design, construction and interim financing for the replacement of Mosaic Stadium through a Public Private Partnership (P3) procurement process. This included working with our project partners and team of experts to define the project outcome specifications and implement Request for Qualifications (RFQ) and a Request for Proposal (RFP) processes. In addition, the project team moved forward with demolition and utility relocation work required to prepare the site at Evraz Place for the construction of the replacement for Mosaic Stadium.

Priorities

The Office of the City Manager will initiate projects and activities both corporately and divisionally to support City Council's Vision and achieve specific outcomes as a result of these efforts. The 2014 Divisional Budget provides the financial resources to deliver these results and is summarized as follows:

Key Areas of Focus

The City Manager's Office will continue to resource the Regina Revitalization Initiative (RRI) with oversight being provided by the Deputy City Manager and Chief Operating Officer. Resources will be focused on the on time, on budget delivery of the Stadium Project, as well as kicking off land development initiatives contributing to Railyard Renewal Project and the development of Taylor Field Neighbourhood.

A new strategic plan provides a broad framework within which the work of the City of Regina will be managed and overseen. This Division is primarily focused on providing leadership and support to that effort.

The systems and tools for strategic plan monitoring and reporting will be led out of this area as will the public communication of the plan and its results.

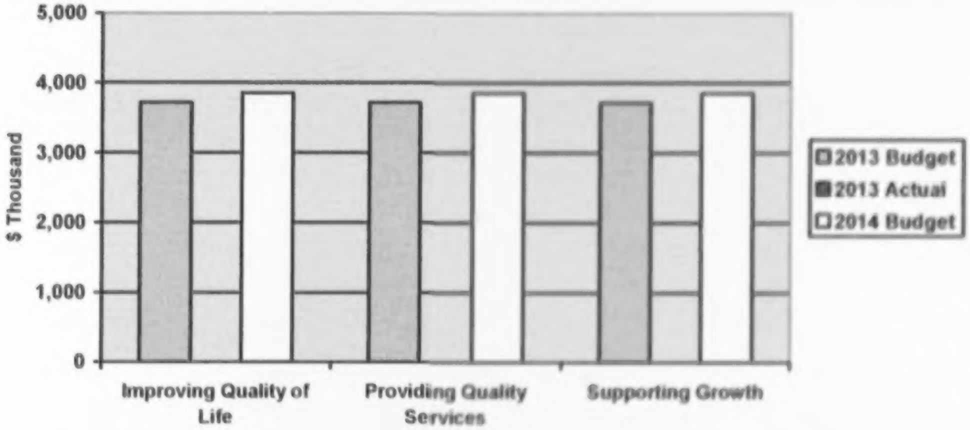
In addition, the area will be responsible for providing leadership in several initiatives to support the advancement of the strategic plan. These include:

- A project to ensure the alignment of key guiding documents (plans, policies and programs, etc.) so that they are able to deliver on the outcomes and policies of the new Official Community Plan (OCP), Design Regina.
- A project to better understand citizens' expectations for service delivery by the City so that these expectations can be reconciled with our financial capacity

Operating Expenditure Summary ($000's)

To achieve the City's Vision the City Manager's Office has estimated its total allocation of operating budget as follows:

By Priority



In a more traditional format the City Manager's Office has summarized its operating budget as follows:

By Business Unit

				Budget Change	
Expenditures (000's)	2013 Budget	2013 Actual	**2014 Budget**	Dollar Change	Per Cent Change
Office of the City Manager					
Administration	845.0	1,024.2	**882.3**	37.3	4.4
Regina Revitalization Initiative	509.3	438.7	**740.5**	231.2	45.4
Innovation	365.0	14.0	**467.8**	102.8	28.2
	1,719.3	1,476.9	**2,090.6**	371.3	21.6
Executive Director - Legal					
City Solicitor's Office	1,643.4	1,896.9	**1,839.4**	196.0	11.9
Bylaw Prosecution	149.6	124.4	**153.8**	4.2	2.8
Risk Management	245.0	232.9	**260.5**	15.5	6.3
Insurance	994.0	929.5	**1,037.2**	43.2	4.3
	3,032.0	3,183.7	**3,290.9**	258.9	8.5
Executive Director - Governance & Strategy					
Communications	3,106.1	2,535.0	**2,784.1**	(322.0)	(10.4)
City Clerk's Office	1,922.4	1,960.0	**1,928.2**	5.8	0.3
Strategy and Performance	1,074.6	1,089.8	**1,025.6**	(49.0)	(4.6)
Government Relations	132.3	128.8	**136.5**	4.2	3.2
	6,235.4	5,713.6	**5,874.4**	(361.0)	(5.8)
Facility Costs					
City Clerk's Office	73.7	76.8	**73.0**	(0.7)	(0.9)
Total Operating Expenses	11,060.4	10,451.0	**11,328.9**	268.5	2.4
Transfers to a Reserve	104.8	969.9	**104.8**	-	-
Total Expenditures	11,165.2	11,420.9	**11,433.7**	268.5	2.4

By Expense Object

Expenditures (000's)	2013 Budget	2013 Actual	**2014 Budget**	Dollar Change	Per Cent Change
Salary & Benefits	6,606.4	6,388.8	**7,258.7**	652.3	9.9
Employee Related Payments	91.0	158.3	**105.7**	14.7	16.2
Office and Administrative Expenses	1,465.1	1,501.4	**1,502.6**	37.5	2.6
Professional & External Services	2,394.4	1,949.9	**2,090.8**	(303.6)	(12.7)
Materials, Goods & Supplies	181.6	45.6	**141.6**	(40.0)	(22.0)
Other Expenditures	102.0	88.8	**101.3**	(0.7)	(0.7)
Intra-Municipal Services	219.9	318.2	**128.2**	(91.7)	(41.7)
Total Operating Expenditures	11,060.4	10,451.0	**11,328.9**	268.5	2.4
Transfer to a Reserve	104.8	969.9	**104.8**	-	-
Total Expenditures	11,165.2	11,420.9	**11,433.7**	268.5	2.4

Staff Complement

Full Time Equivalents (FTE's)	2013	2014
Permanent	67.0	68.0
Casual	0.6	0.1
Total	67.6	68.1

Analysis of Operating Expenditure Budget Change

Details		($000's)
2013 Budget		11,165.2
1.	Remove 2013 One-Time Expenses. (Base)	(653.0)
2.	Salaries & Benefits - Includes cost changes resulting from in range progression increases, classification reviews and employer benefit costs. (Base)	347.0
3.	Uncontrollable Price Increases - Are those increases in expenditures that are due to price not volume. This increase cannot be managed by doing less, renegotiating a different price or going to a different supplier. (Base)	50.4
4.	Waste Plan Regina Communications - The funds will be used to create and design are required for the on-going communications for the program. (On-going)	200.0
5.	Addition of Manager Strategy & Operations RRI project. (On-going)	135.4
6.	Funding for a Supernumery Position ($122.3) in City Ops has been permanently reassigned to the Strategic Innovation Fund. The associated FTE was removed. (On-going) Less the amount of funding reduction for External Services ($127.6) (One-time)	(5.3)
7.	Incremental Cost to provide Legal Services Provided to the Regina Police Service. RPS will reimburse Legal Services for the services of one lawyer. (On-going)	65.8
8.	Incremental hosting costs for the second phase of implementation of SIRE Technologies for paperless Council meetings. (On-going)	13.0
9.	Transfer legal costs out of HR to the Legal Department. (On-going)	30.0
10.	Incremental RRI Stadium administrative costs. (One-Time)	85.2
2014 Budget		11,433.7

Note:
Base request funding – represents an increase in cost necessary to maintain current service levels.
Ongoing request funding – represents expenditures that would be ongoing past the current budget year.
One-time funding – represents one-time expenditures for the current budget year.

Capital Investment Program

To achieve the City's Vision the Office of the City Manager has estimated its total allocation of capital investments according to both Priority and functional Business Unit as follows:

By Priority

Expenditures (000's)	2013 Budget	2013 Actual	**2014 Budget**	Budget Change Dollar Change	 Per Cent Change
Improving Quality of Life	14,192.0	16,165.7	**59,429.0**	45,237.0	319%

By Business Unit

Expenditures (000's)	2013 Budget	2013 Actual	**2014 Budget**	Budget Change Dollar Change	 Per Cent Change
Regina Revitalization: Stadium Project	13,947.0	15,396.2	**59,429.0**	45,482.0	326%
Regina Revitalization: Taylor Field Site Studies	245.0	769.5	-	(245.0)	-100%
Total	14,192.0	16,165.7	**59,429.0**	45,237.0	100.0

Summary of Capital Investments

Details	**($000s)**
1. Regina Revitalization Initiative Stadium Project - The Regina Revitalization Initiative was launched by the City of Regina in May 2011 as a vision to redevelop two large areas of land in Regina's inner-city. The new stadium will be located at Evraz Place. Construction is planned to begin in 2014 and occupancy of the new stadium will be in 2017. The City has developed a financial cap of $278.2 million for the Stadium Project. The timing of the cash outflows for the Stadium Project represents the assumptions and estimates as outlined in the Stadium Project Financial Plan that was submitted to City Council on January 28, 2013. The timing of the milestone construction payments may change as the project progresses. Any changes to the assumptions and estimates in the financial plan will be mitigated through prudent management of the project.	59,429.0
2014 Budget	59,429.0

City Operations Division

Mandate

We provide customer-focused professional and reliable public services that enable and enhance the quality of life for our community and our employees. City Operations consists of Fire & Protective Services; Open Space & Environmental Services; Roadways & Transportation Services; Special Projects Secretariat; Strategic & Business Services; Transit Services; Water & Sewer Services.

Overview

The City Operations Division was created as part of the 2011 corporate restructuring to provide city infrastructure management and services that are essential to the quality of life in our community. City Operations are the stewards of a significant portion of the city's infrastructure, ensuring that infrastructure systems are adequately preserved, resourcefully funded and effectively operated. This is accomplished through implementing best practices that advance safety, consistency, efficiency and reliability.

The Division creates value through service leadership that best serves our stakeholder base, maximizing every dollar spent. Our divisional priorities focus on narrowing the gap between current service levels and customers' service expectations by:

- ensuring that employees have the appropriate skills, abilities and tools to deliver our programs and services;
- ensuring a safe workplace is foremost;
- understanding our programs and services;
- understanding our customers' service delivery expectations;
- identifying and implementing ways to reduce costs and/or increase revenue; and
- creating Council awareness of service gaps and how to narrow those gaps.

City Operations is comprised of six departments and a Special Projects Secretariat, employing over 824 full time equivalent positions and approximately 199 casual employees.

Divisional Strategic Services

Divisional Strategic Services, for City Operations, provide the strategic direction and business management support for planning, performance management, workforce development and organizational performance. We provide corporately aligned planning, communication, research, policy development and performance measurement reporting.

We have aligned behaviours within the branch to meet the corporate strategic objectives of the organization, and promote these behaviours within the departments in City Operations. Our branch members exemplify these corporate values.

Fire & Protective Services Department

This department delivers well-trained and professional response to fire, rescue and emergency situations, which includes life threatening medical incidents and environmental disasters. Other core services include community focussed fire prevention and public education programs as well as overarching emergency preparedness and management services. Fire & Protective Services is supported by performance driven and results oriented administrative and business support.

Open Space & Environmental Services Department

This department provides open space services and environmental services. The core services include ensuring human health and safety through pest control services, protecting and maintaining the health of the urban forest, maintaining City-owned golf courses, operating City-owned cemeteries and providing solid waste management.

Roadways & Transportation Services Department

This department effectively maintains and operates roadways, walks, alleys, easements and bridges to ensure a safe, reliable transportation system for the community throughout the summer and winter seasons.

Special Projects Secretariat

The secretariat provides oversight and professional expertise on significant projects that include the implementation of the curb-side recycling program, the major upgrade to the wastewater treatment plant and governance related matters for the Buffalo Pound Water Administration Board.

Service Regina

Service Regina comprised of the Call Centre, In-Person Service and Operational Services – champions implementation of the City's customer service strategy and works to achieve the City's goal of providing excellent customer service to the community.

Service Regina provides first line customer service, responding to customer inquiries, requests for service and concerns relation to all City of Regina services. All areas of the branch provide support to the divisions within the corporation to assist them in meeting their operational requirements.

Service Regina's standards align with the City's value to be a customer focussed organization and the Corporate Customer Service Strategy.

Transit Services Department

This department provides professional, accessible, urban transit services to customers through building and maintaining strong partnerships within the community. Core services include providing a regularly scheduled, fixed route public transit system; and, specialized transportation for persons with disabilities and the elderly, through a door-to-door service known as Regina Paratransit. Other core services include charter service for special events and emergency disaster/situation transportation.

Water & Sewer Services Department

This department designs, constructs, operates and maintains essential water, wastewater and drainage systems for Regina and surrounding communities to protect public health and property.

Note:
The water, wastewater and drainage services are delivered through the Water and Sewer Utility Budget and are not included in the General Operating Budget.

Key Facts

Fire & Protective Services Department

- Although attendances at "code red" working fires are trending downward, the Fire & Protective Services Department continues to broaden its scope of services providing increased emergency medical, technical rescue and hazardous materials responses.
- In 2012, the department attended 99 total structural fire calls resulting in over $7.5 million in damages.
- Annually, 39,000 plus citizens attend one of the public safety fire education events provided.
- There are an average of 2,200 plus fire inspections and 160 plus fire investigations annually.
- The Fire & Protective Services Department responds to approximately 5,900 total deployments annually, which includes non-emergent investigations and public education and training. An average

of 3,500 emergency dispatches for fire suppression, emergency medical assistance, hazardous material mitigation and rescue incidents are delivered annually.
- The City has seven fire stations and each serves an average of 28,200 residents.
- In 2012, the department had 6,241 apparatus responses to 4,464 incidents; an incident rate (per 1,000 population) of 21.6 and there were four (4) injuries and two (2) deaths in Regina due to fire.

Open Space & Environmental Services Department

The role of the Open Space & Environmental Services Department is to enhance the quality of the environment and the quality of life for people in Regina. The core services include ensuring health and safety through pest control services, protecting and maintaining the health of the urban forest, maintaining city-owned golf courses, operating city-owned cemeteries and providing solid waste management services.

Open Space & Environmental Services Department

- Residential recycling collection is provided to 61,400 single-family homes on a bi-weekly basis by individual roll out carts.
- Residential solid waste collection is provided to 61,400 single-family homes on a weekly basis by individual roll out carts.
- The department provides an environmentally sound solution to waste disposal for Regina and surrounding area to ensure the health and safety of our community.
- The department operates two municipally owned cemeteries, providing the community with various interment options.
- The department creates floral displays throughout the City using flowerbeds, 500 plus planter pots and oak barrels. These displays are typically located in city parks, along main roads and major intersections.
- The department protects and maintains 148,000 City-owned trees. The Forestry program includes a pruning cycle of 1:10 years and plants approximately 2,500 trees annually.
- Pest Control is responsible for controlling a wide range of pests with the focus being on gophers, cankerworms and mosquitoes.
- The department maintains five public golf courses and the Leslie Lawn Bowling Greens.
- Landscape Trades undertakes repairs and provides landscape restoration and construction services for City departments.

Roadways & Transportation Services Department

- Regina's Roadway Network Inventory consists of 926 kilometres paved roads, 33 kilometres of gravel roads, 1,289 kilometres of sidewalks, 170 kilometres of paved alleys, and 134 kilometres of gravel alleys. In addition to the roadway network, there are approximately 49 kilometres of easements.
- The average weighted pavement age of the expressway/arterial network is 11 years, the collector network is 9 years, industrial commercial network is 17 years, and the local network is 27 years by surface area.
- Under the Winter Road Maintenance Program, the Roadways & Transportation Services Department is responsible to provide winter maintenance activities that effectively support the health, attractiveness, and economic viability of this community. This would include the plowing and ice control of the road, sidewalk and alley network, as well as snow removal and maintenance of the Snow Storage Site.
- The City's Transportation Network includes 54 bridges, of which eight are rail overpasses.
- The City's Pedestrian Bridge Inventory includes 31 bridges.
- The City's Street Sign Inventory includes over 60,000 street signs, all of which are maintained by City forces.
- The City has 185 signalized intersections, nine pedestrian half signals, 74 pedestrian corridors, and approximately 950 expressway lights.
- The Global Positioning System (GPS)/Automatic Vehicle Locator (AVL) project continues to be developed for implementation on winter maintenance equipment and key summer construction

equipment. GPS/AVL has the ability to track winter maintenance equipment that supports the efficient delivery of the Winter Maintenance Policy as well as assisting in summer operations.

- The bulk materials operation provided 160,000 tonnes of granular and landscape materials to various City branches and public agencies. Recycled materials constituted 60% of bulk materials sold. In addition, the asphalt plant produced 78,000 tonnes of granular materials.
- The City's asphalt plant produced 83,000 tonnes of hot mix asphalt in 2013 at a cost of $6.7 million. A portion of revenues from asphalt sales, (ie those revenues that are above the cost of production) is transferred to the asphalt plant reserve for future plant upgrades. In 2013, the City's asphalt supply price was approximately 19% less than private contractor's asphalt supply price. Based on the tonnage produced, the City saved $1.6 million overall from producing asphalt mixes internally as compared to the externally supplied asphalt.
- The City's asphalt plant produced 800 tonnes of cold mix asphalt.
- The City's asphalt plant dust collection system was supplemented by a new dust storing and weighing system in 2011. This initiative resulted in the reduction of asphaltic cement used in the mixes and is continuing to save approximately $200 thousand per year.
- The Testing Lab and Field Services Section provided 300 full asphalt tests, 672 sieve analyses, 628 asphalt density field tests and over 3,300 hours of concrete placement and paving inspections. This ensures that materials and construction techniques meet City specifications. In addition, Benkelman Beam Testing and 160 core samples of old road structure were completed to support the 2014 road design program.

Special Projects Secretariat

- In 2012, contract arrangements for the curbside recycling program were finalized for collection and materials handling.

Service Regina

Service Regina comprised of the Call Centre, In-Person Service and Operational Services – champions implementation of the City's customer service strategy and works to achieve the City's goal of providing excellent customer service to the community.

Service Regina provides first line customer service, responding to customer inquiries, requests for service and concerns relation to all City of Regina services. All areas of the branch provide support to the divisions within the corporation to assist them in meeting their operational requirements.

Service Regina's standards align with the City's value to be a customer focussed organization and the Corporate Customer Service Strategy.

Transit Services Department

- In 2013, city buses provided approximately 6.2 million rides to the community and the 107 City busses travelled approximately 5.6 million kilometres.
- The 100 accessible low floor buses provide improved accessibility for all customers, especially seniors.
- Door-to-door Paratransit service provided approximately 180 thousand trips and travelled an average of 1 million kilometres plus last year.

2013 Highlights

Operational Highlights

Fire & Protective Services Department

- The department achieved the status of Accredited Agency from the Center of Public Safety Excellence in August 2012. This prestigious status was obtained through the pursuit of International Fire Service Accreditation, third party recognition of services, programs and governance that are measured against industry best practices. In 2013, the department ensured compliance with Fire Accreditation requirements, strategic plan, self-assessment and the standards of cover.
- The department continued to build a collaborative relationship between labour and management and negotiated a collective bargaining agreement with the International Association of Fire Fighters, Local 181.
- The department hosted over 300 Fire Service Industry professionals at the Canadian Association of Fire Chiefs Conference in September. Attendees were from across Canada, the United States and the United Kingdom.
- The department contributed to the safety and security of visitors and residents of the City for several major events, such as the Juno Awards, the Paul McCartney Concert and the Grey Cup Festival, through emergency preparedness and code enforcement.
- The Emergency Management Program participated in the City of Saskatoon's emergency exercise 'Domino' that brought together all levels of government and provided information that will be incorporated into the City's Emergency Management Planning and Operations.
- The department led the emergency preparedness and response program for the 2013 Spring Run-Off.
- Emergency Management redesigned the corporate Major Emergency and Disaster Plan and completed three (3) of the five (5) components of the plan.
- The department contributed to several corporate initiatives including the Business Transformation Project, Official Community Plan, Comprehensive Housing Strategy, Global Transportation Hub, Regional Planning, and the RM of Sherwood Fire Services Agreement.
- The Public Education section continued to support "Kids First" to deliver fire and life safety education to young families. This program is internationally recognized as a model in fire prevention and education.
- Fire and life safety education and enforcement programs were intentionally provided in the high fire risk areas of North Central, Heritage and Al Ritchie neighbourhoods. These programs were provided in partnership with: Bylaw Enforcement, Regina Police Service, the two school boards and the Regina Qu'Appelle Health Region - Child and Youth Services Section.
- In partnership with the Regina Senior Citizens Centre and the Regina Housing Authority, the department continued to roll out a fire and life safety education program which is designed to engage the growing senior citizen community. The program is titled, "Remembering When: a fire and fall prevention for older adults".
- On an annual basis, the department successfully trains and certifies 260 personnel in Hazardous Materials, Emergency Medical Care, Incident Command System, Flashover Survival, Technical Rescue and other related disciplines.
- The department continued to advance the Recruitment Diversity Strategy.

Open Space & Environmental Services Department

- Curbside recycling was rolled out on July 1st and has achieved a set out rate of 75%. 6,000 tonnes of recyclable material was collected in 2013.
- Solid Waste Collection provides service to 61,400 single-family households, which amounted to over 3 million visits per year.
- The landfill handled material delivered by approximately 170,000 vehicles, which amounts to 625,000 tonnes of material annually.

- The water area treated for mosquito control was increased by 50% to 4,600 acres. As a result, mosquito breeding conditions were significantly reduced.
- Horticulture staff planted and successfully maintained 40,000 bedding plants despite hot and dry conditions throughout most of the summer.
- The City's Solid Waste Collection branch delivered approximately 60,000 tonnes of municipal solid waste to the landfill.
- A total of 1,430 acres of park area was surveyed for weed control, which represents 70% of all park area in the city of Regina.
- City tree pruning increased 50% from last year as 7,300 city trees were pruned.
- Despite a harsh winter, which resulted in a five-week delay, golf course staff ensured the golf courses were up and running in May to allow for a successful golf season.
- Cemetery staff performed 600 interments at Riverside Memorial Park and Regina Cemeteries.
- Solid Waste Collection converted approximately 6,000 households from shared alley garbage containers to individual rollout carts.
- A household hazardous waste event was held in October, the first since 2010. Residents showed their support by diverting more then 10 tonnes of hazardous product, 2,450 pounds of electronics, 9,900 pounds of paint and 159 tires.
- Less than one percent of the urban forest was lost to disease or insect infestations in 2013.
- Leaf and yard depots were set up for the fall season providing residents an alternative to dispose of their leaf and yard waste. The material was diverted to a local composting farm for soil remediation purposes. Over a six-week period, 184 tonnes of material was collected.
- A new Columbarium installed at Riverside Memorial Park Cemetery added 104 niches.
- The 5th Annual Tree of Memories Event was held at Riverside Memorial Park Cemetery. The event provided family and friends the opportunity to celebrate the life of a loved one for the holidays.
- Landscape Trades staff worked diligently to ensure snow and ice was removed at Taylor Field in preparation for the 2013 Grey Cup.

Roadways & Transportation Services Department

- In 2013, the Roadways and Transportation Services Department achieved a Time Loss Frequency rate of 1.7 as of October 2013. This achievement represents a reduction of 5.84 from the 2012 rate of 9.24 as well as successfully surpassing the 2013 departmental target of 5.08 by a full 3.38 points.
- The Sweeping & Alleys Branch successfully swept approximately 3,100 kilometres of streets and 1,300 kilometres of sidewalks and boulevards. The Crews reconstructed approximately three km of paved alleys, refreshed approximately 130 gravel alleys, maintained 135 kilometres of gravel alleys, maintained 30 kilometres of high-grade roads, repaired various easement and guardrail locations, and washed and maintained 54 bridge locations. In addition, they constructed four crossovers on the Ring Road to assist with traffic flows during the paving of the Ring Road and reconstructed two LIP locations.
- The Roadways Preservation Branch's bridge maintenance program began an extensive asphalt crack sealing program and silane sealer program. In 2013, the program crack sealed 16 bridges and silane sealed 15 bridges. The program also; thin lifted five bridges, performed testing of asphalt thickness on seven bridges, washed 31 traffic bridges and six underpasses, repaired three expansion joint glands, painted three pedestrian bridges, repaired two pedestrian bridges, and painted numerous guardrails and stub posts.
- The Traffic Signals & Lighting Branch completed yearly planned maintenance with respect to traffic control equipment testing, incandescent bulb replacement and vehicle detection devices. Maintenance occurred, as planned or as needed, for 185 traffic signals, nine pedestrian half-signals, 950 expressway lights and 74 pedestrian corridors.
- The Traffic Signals & Lighting Branch installed 10 new traffic signals in 2013.
- Traffic signal timings were "retimed" on five arterial corridors and numerous signal improvement projects, including the installation of left turn arrows, pedestrian countdown signals, audible pedestrians signals, were completed.
- Traffic Signals & Lighting staff provided underground utility location services for both internal and external customers to protect traffic signal related assets.

- Traffic Control & Parking Branch provided the following services in 2013:
  - design and installation of 134 traffic accommodations and detours;
  - coordinated event traffic for the Grey Cup;
  - coordinated traffic for 47 special events and 11 block parties;
  - facilitated and coordinated 237 over-dimensional moves through the city;
  - issued 918 temporary street use by contractors and the film industry; and
  - installed 36 new accessible parking zones at private residences.
- In 2013, $1.4 million in parking meter revenue was collected.
- Traffic Control and Parking painted over 500 kilometres of lane lines and completed over 70,000 metres of crosswalk/stop bar pavement markings.
- As a result of the record setting winter conditions during the 2012/2013 season, the Winter Maintenance branch performed the following activities in order to deliver the expected level of service outlined in the Winter Maintenance Policy in 2013:
  - completed nine systematic plows consisting of plowing over 4,630 lane km;
  - completed four residential plows consisting of plowing an additional 2,076 lane km;
  - removed over 525,000 m3 of snow and hauled to the snow storage site;
  - stockpiled an additional 975,000 m3 of snow hauled by the private industry to the snow storage site;
  - applied over 24,500 tonnes of ice control material to the road network;
  - contributed to a 24/7 operation with a combined total of over 115,000 manpower hours worked throughout the season; and
  - inspected and responded to over 11,000 Service Requests.
- In 2013, the Winter Maintenance team received a Customer Service Excellence Award.
- Concrete Services enhanced operational capabilities with the purchase and utilization of a new mudjack truck and recently purchased a Gomaco Commander III slipform.
- For the first time, Concrete services initiated a contracted trip hazard removal program to address approximately 2,500 trip hazards of between 25 and 40mm in height in the pedestrian traffic areas of the downtown and hospital corridors, as well as locations that have accessibility challenges that met the maintenance program priorities. The intention is to expand this program for 2014.

Special Projects Secretariat

- Contracts were awarded for collection and materials processing/marketing for the new residential recycling program.
- A new Solid Waste Bylaw was adopted by City Council to clarify solid waste collection services and define the new recycling service.
- A fee for the new recycling service was adopted by City Council.
- A new permit was negotiated with the Ministry of Environment, including identification of new Waste Water Treatment Plant (WWTP) effluent standards and timing to complete the upgrade to meet the standards.
- Conceptual and pre-design were completed on the WWTP upgrade.
- A business case (including 'value-for-money') was completed on the WWTP upgrade project delivery.

Service Regina

- Service Regina is involved in the Corporate Payment System Project and the Operations Division Business Process Review.
- Corporate support was provided by facilitating Hansen training on a monthly and special request basis, participating in the Home Show, providing extended hours for customers during the referendum and assisting with the winter leisure program registration.

- In the fourth quarter of 2013, a reporting structure change was made, moving Operational Services (formerly Dispatch and the Water Metre Clerks) to report into Service Regina. This change provides both seamless service and support to external and external customers.

Call Centre & In-person Service:

- Answered 170,635 calls, 113,952 were handled at the point of contact, no service request was required.
- Created 1,100 service requests through Facebook and 225 through Twitter.
- In-Person Service processed 113,857 transactions for a dollar value of $50,504,277.

Operational Services

- Answered 32,550 calls.
- Internal Support Highlights:*

Truck Orders:	Tow Trucks	350
	Tandem/semi	485
Utility Locates:	High Priority	29
	Emergency	350
	Planned	1,232
Water Meter Appointments:		302

* All stats are for January 1 – November 30 except for Tandem/semi truck orders, these stats are November 1-30

Transit Services Department

- The department continues to make significant progress in modernizing the conventional bus fleet. Over the past four years, over 68 buses were replaced in the fleet, reducing the average age to 6.7 years. Since 2006, the number of accessible, low floor buses in service has risen from 26 to 100. The department plans to have a fully accessible fleet by 2015.
- Regina's public transit continues to provide safe, convenient and affordable transportation for residents and visitors to special events such as concerts, Saskatchewan Roughrider football games and New Year's Eve celebrations. The Saskatchewan Roughriders Football Club have committed to keeping the football express service operating. In 2013, Football Express ridership was at its highest level.
- Both ridership and revenue have increased in 2013, with a ridership increase estimated at 5% by year-end.
- Conventional transit cost recovery ratio remained the same in 2013. In 2012, the ratio was at 38% for every dollar spent and the forecast for 2013 is 38%.
- In 2013, Transit installed security cameras on another 12 buses bringing the total number of buses with security cameras to 75. This feature provides a more secure environment for both our customers and employees.
- After extensive public consultation in early 2013, Transit implemented a new routing system. The changes introduced Transit service in areas that did not previously have service and introduced two new express routes that allowed residents to get across the city quickly. These changes were done without any increase to the budget. The efficiencies in service occurred utilizing the ridership data that has been collected from the change to the smart card system (R-Card). The investment in the smart card technology allowed Transit to utilize the resources allocated to the department in an efficient manner, while not raising costs. The changes to the routing system are predicted to increase ridership and revenues by 5% over the course of the year.
- During the launch of the new routes, Transit ran a promotion in September called "Free Transit Fridays". The purpose of the promotion was to introduce customers to the new routes, and allow the customer to try the routes risk free by not having to pay for a ride during the Friday's in September.

The promotion was a success as ridership on the Fridays dates increased an average of 42%. It introduced new riders to the new services and the ridership increase carried over to October with a 12% increase in ridership.

- The promotion of "Free Transit Fridays" also promoted the new mobile app that was integrated with the City App. Transitlive was secured as the permanent vendor for Automated Vehicle Location service in September 2013, and it was promoted alongside the new routes and free service. Transitlive is the best way for customers to check on the status of their bus and take the quesswork out of riding the bus. There are on average over 2500 visits to the Transitlive web page each day as well as over 800 text messages and 200 calls to the Transitlive phone system.
- The R-Card pass is a 31-day pass, effective on the purchase date. Providing the customer the ability to purchase the pass at any time of the month maximizes value to customers. The end-of-month lines at the Transit Information Centre and businesses that sell the passes has decreased in response to this change.
- The department continues to focus on developing strong partnerships within the community to address customers' needs. Partnerships exist with various local organizations such as the Regina Public Transit Coalition and the University of Regina.
- Transit's newest partnership with Metro newspaper provides a free daily newspaper on buses. This is a new revenue agreement that was finalized in 2012. The City of Regina received $50 thousand revenue in 2013 and will receive another $50 thousand in 2014.
- Customer service and access to transit information is critical to the success of the transit system. The Transit Information Centre provides information 65 hours per week regarding conventional transit. The Paratransit booking lines are available 104 hours per week.
- In response to a changing customer dynamic, Transit continues to use Twitter and Facebook pages to provide timely information to customers about detours/delays in service.
- In 2013, the regular bus fleet travelled 5.66 million kilometres plus and the Paratransit fleet travelled approximately 1 million kilometres.

Priorities

City Operations Division is responsible for operating and maintaining municipal infrastructure and assets, and the provision of programs and services that effectively support our customers and promote community safety. To provide value driven programs and services to our customers, City Operations has identified key areas of focus. These include the following:

Key Areas of Focus

Initiatives

- Provide programs and services supporting city growth and development plans that align with the Corporate Balanced Scorecard for 2014 - 17.
- Provide customer focused programs and services in meeting the diverse needs of our community.

Outcomes

I. Infrastructure and capacity for new growth, redevelopment and regulatory standards.
II. Create and maintain safe and efficient work environments.

Initiatives

- Develop short and long-term strategies to sustain and fund our infrastructure and assets, with focus on the Local (residential) roads network
- Develop and implement an integrated long-term waste plan with residential recycling services.
- Develop and implement an infrastructure asset management process.

- Develop the Utility Business Plan.

Outcomes

I. Responsive, diverse, and fiscally responsible program and service delivery, and asset management.

Initiatives

- Identify and explore alternative business models.
- Identify and implement approved cost reduction and revenue generation opportunities.
- Prioritize and align programs and services.
- Identify, define, and communicate current levels of service and corresponding gaps.
- Identify customer level of service expectations and implement approved strategies to address gaps.
- Continuous improvement in the delivery of fire and protective services.
- Review division organizational structure and improve division-wide business operations.

Outcomes

I. Increased customer awareness, involvement and satisfaction.
II. Improved business plans and models.
III. Fiscal room created to address corporate strategic priorities.

Initiatives

- Implement the Corporate and Division Safety Strategy.
- Develop the Employee Engagement Strategy.
- Employee accountability for innovative processes.
- Develop a comprehensive City Operations' facilities master plan in conjunction with Corporate Services.

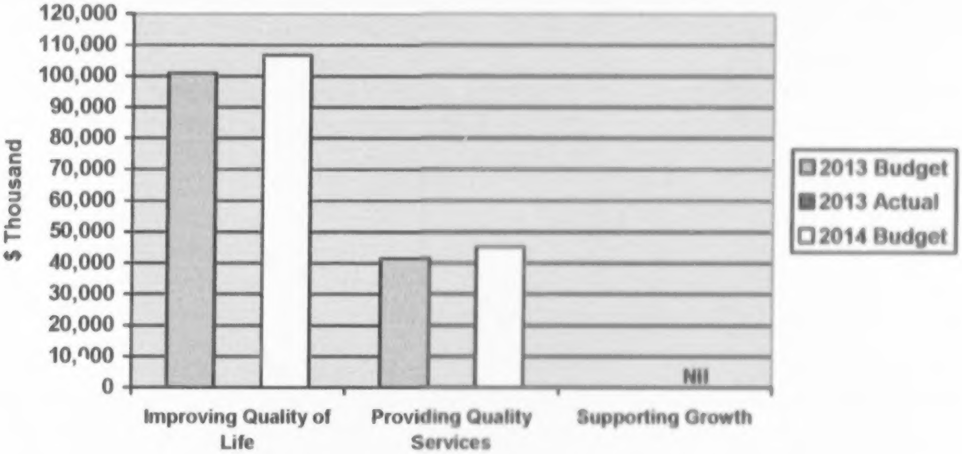
Outcomes

I. Improved safety culture.
II. Contemporary people management.
III. Skilled, knowledgeable and engaged employees.
IV. Effective performance measurement and management.

Operating Expenditure Summary ($000's)

To achieve the City's Vision the City Operations Division has estimated its total allocation of operating budget as follows:

By Priority



In a more traditional format, the City Operations Division has summarized its operating budget as follows:

By Business Unit

Expenditures ($000's)	2013 Budget	2013 Actual	**2014 Budget**	Dollar Change	Per Cent Change
Office of Strategic and Business Services					
Business Services	1,551.8	665.3	**383.1**	(1,168.7)	(75.3)
Divisional Strategic Services	337.9	389.9	**524.1**	186.2	55.1
Director of Strategic & Customer Service	-	545.2	**522.3**		100.0
Engineering & Business Systems	451.6	56.1	-	(451.6)	(100.0)
Service Regina	1,089.6	869.5	**1,125.1**	35.5	3.3
	3,430.9	2,526.0	**2,554.6**	(876.3)	(25.5)
Roadways & Transportation Services					
Roadway Preservation	1,973.4	1,806.6	**1,963.9**	(9.5)	(0.5)
Asphalt Production & Field Services	293.8	302.5	**322.4**	28.6	9.7
Traffic Signals & Lighting	6,691.2	6,728.0	**6,763.7**	72.5	1.1
Traffic Control & Parking	2,176.7	1,998.7	**1,957.0**	(219.7)	(10.1)
Roadways Administration	2,205.4	3,879.9	**3,116.8**	911.4	41.3
Asphalt Services	4,051.6	3,896.1	**4,575.7**	524.1	12.9
Concrete Services	2,090.6	1,873.6	**2,523.2**	432.6	20.7
Sweeping & Alley Services	6,021.3	4,979.5	**6,638.4**	617.1	10.2
Winter Road Maintenance	6,343.9	9,596.5	**6,797.1**	453.2	7.1
	31,847.9	35,061.4	**34,658.2**	2,810.3	8.8

By Business Unit, continued

Expenditures ($000's)	2013 Budget	2013 Actual	**2014 Budget**	Dollar Change	Per Cent Change
Environmental Services					
Environmental Engineering	186.2	4.7	-	(186.2)	(100.0)
	186.2	4.7	-	(186.2)	(100.0)
Parks & Open Space Department					
Cemeteries	1,082.4	1,054.8	**1,111.6**	29.2	2.7
Golf Courses	2,141.2	1,973.7	**2,213.6**	72.4	3.4
Parks & Open Space Mgmt	5,763.8	5,511.4	**5,783.1**	19.3	0.3
Solid Waste Collection	8,754.3	7,934.8	**8,904.4**	150.1	1.7
Waste Diversion	3,274.4	3,034.0	**6,185.1**	2,910.7	88.9
Landfill Operations	3,777.1	3,641.7	**4,356.1**	579.0	15.3
	24,793.2	23,150.4	**28,553.9**	3,760.7	15.2
Fire & Protective Services Department					
Business Continuity & Emerg. Planning	207.9	183.1	**202.4**	(5.5)	(2.6)
Fire Services	39,589.8	37,469.5	**39,774.5**	184.7	0.5
	39,797.7	37,652.6	**39,976.9**	179.2	0.5
Transit Department					
Conventional Transit	23,084.3	25,236.5	**25,709.0**	2,624.7	11.4
Paratransit	4,530.1	4,383.3	**4,810.6**	280.5	6.2
	27,614.4	29,619.8	**30,519.6**	2,905.2	10.5
Facility Costs[1]					
Administration, Roadways & Traffic	365.5	408.1	**287.9**	(77.6)	(21.2)
Waste Management	197.5	226.7	**197.5**	-	-
Cemeteries	53.0	36.2	**52.3**	(0.7)	(1.3)
Golf Courses	378.8	367.2	**381.7**	2.9	0.8
Parks & Open Space Mgmt	599.1	437.7	**574.9**	(24.2)	(4.0)
Fire & Protective Services	497.4	455.7	**431.2**	(66.2)	(13.3)
Transit	880.5	1,192.0	**802.4**	(78.1)	(8.9)
	2,971.8	3,123.6	**2,727.9**	(243.9)	(8.2)
Total Operating Expenditures	**130,642.1**	131,138.5	**138,991.1**	8,349.0	6.4
Transfers to a Reserve	11,874.2	12,290.1	**12,844.0**	969.8	8.2
Total Expenditures	142,516.3	143,428.6	**151,835.1**	9,318.8	6.5

Note:

1. *Facility costs are allocated from the Facilities Management Services Division of the Corporate Services Department.*

By Expense Object

				Budget Change	
Expenditures ($000's)	2013 Budget	2013 Actual	**2014 Budget**	Dollar Change	Per Cent Change
Salaries & Benefits	80,294.3	77,698.3	**81,174.9**	880.6	1.1
Employee Related Payments	235.9	247.7	**247.9**	12.0	5.1
Office & Administrative Expenses	868.8	2,073.4	**795.1**	(73.7)	(8.5)
Professional & External Services	8,034.6	7,540.8	**11,349.9**	3,315.3	41.3
Materials, Goods, & Services	5,241.9	5,027.8	**5,599.5**	357.6	6.8
Other Expenditures	7,930.3	9,290.6	**7,995.0**	64.7	0.8
Intra-Municipal Services	27,855.5	29,259.9	**31,828.8**	3,973.3	14.3
Total Operating Expenditures	130,461.3	131,138.5	**138,991.1**	8,529.8	6.5
Transfer to a Reserve	11,874.2	12,290.1	**12,844.0**	969.8	8.2
Total Expenditures	142,335.5	143,428.6	**151,835.1**	9,499.6	6.7

Costing Fund

				Budget Change	
Expenditures ($000's)	2013 Budget	2013 Actual	**2014 Budget**	Dollar Change	Per Cent Change
Public Works:					
Granular Material & Asphalt Plant	7,049.6	7,330.0	**4,695.9**	(2,353.7)	(33.4)
Facilities Costs - Granular Material & Asphalt Plant	43.9	67.8	**42.5**	(1.4)	(3.2)
Total Granular Material & Asphalt Plant	7,093.5	7,397.8	**4,738.4**	(2,355.1)	(33.2)
Roadway Operations	1,284.6	2,414.3	**1,151.0**	(133.6)	(10.4)
Open Space - Landscape	1,443.9	1,945.9	**1,456.7**	12.8	0.9
Total Public Works	9,822.0	11,758.0	**7,346.1**	(2,475.9)	(25.2)

Staff Complement

Full Time Equivalents	**2013**	**2014**
Permanent	821.3	825.6
Casual	128.7	132.9
Total	950.0	958.4

Analysis of Operating Expenditure Budget Change

Details	($000's)
2013 Budget	142,335.5
1. Remove 2013 One-time Expenses. (Base)	(158.0)
2. Salaries and Benefits - includes cost changes resulting from salary increases, in range progressions, classification reviews, Market Supplements, Benefits on Overtime and premium pay and employer benefit costs, including increases in the City's contribution. (Base)	1,038.6
3. Transfer of funding to the Strategic Innovation Fund.	(122.3)
4. Uncontrollable Price Increases. (Base)	(180.6)
5. Change in the amount of Operating Costs charged to the Water & Sewer Utility. (Base)	(55.2)
6. Reallocation of costs to the Costing Fund in order to achieve more accurate reporting of expenditures. (Base)	(45.7)
7. Annualization of the Recycling Program. The Program began in July 2013. Consequently the 2013 budget only accounted for six months worth of expenditures. (Base)	3,168.2
8. Increase in allocated Fleet costs - Costs allocated by Corporate Services. (Base)	2,590.0
9. Decrease in transfer to Cemetery Reserve. (Base)	2.4
10. Decrease in transfer to Golf Course Reserve. (Base)	134.4
11. Transfer to Landfill Reserve. The net revenues in the Landfill Operations are closed to the Landfill Reserve. (Base)	832.9
12. Change in allocation of costs to the Solid Waste Reserve. (Base)	53.0
13. Various small changes to Base Budget. (Base)	(36.0)
14. Increase in the Paved & Gravel Alley Levy. The proposed increase for the 2014 Alley Maintenance Program is consistent with the previously approved strategy to continue to maintain the City's alley inventory in an acceptable and sustainable condition. (Base)	444.9
15. Adjustment to Roadways & Transportation Services to align the budget with historical actual expenses for equipment rental, materials, supplies etc. (Base)	705.9
16. Adjustment to Landfill Operations to align the budget with historical actual expenditures. (Base)	237.6
17. Increase in costs for Firefighter clothing, personal protective equipment and other supplies. (Base)	74.8
18. Increase in allocated facilities costs. (0.25 Casual FTE) (Base)	35.5
19. Concrete Services material costs increases to maintain service levels due to growth. (3.0 Casual FTE) (On-going)	276.6

Analysis of Operating Expenditure Budget Changes (Continued)

Details	($000's)
20. Boundary Alteration Implementation. Implementing a municipal boundary change requires coordinated preparation by almost all work units across the City of Regina organization. The incremental costs includes grid road maintenance, signs, plowing and snow removal etc. (0.48 Casual and 2.32 Permanent FTE) (On-going)	258.4
21. Asphalt Maintenance cost increase for materials and labour including the addition of 2.0 permanent FTE's to maintain service levels due to growth in the roadway network as a result of the subdivision development. (On-going)	137.0
22. Winter road maintenance cost increase for materials (sand, salt, gravel) and labour including to maintain service levels due to growth in the roadway network as a result of the subdivision development. (On-going)	36.2
23. Street Sweeping increased labour costs to maintain service levels due to growth in the roadway network as a result of the subdivision development. (0.30 Casual FTE) (On-going)	22.2
24. Maintenance costs associated with new landfill building. (0.10 Casual FTE) (On-going)	9.6
25. Sidewalk Maintenance - increased material, labour, equipment costs to maintain service levels due to growth in the sidewalk network as a result of the subdivision development. (On-going)	9.2
26. Consulting costs associated with the sale of greenhouse gas credits. (One-time)	30.0
	151,835.1

Capital Investment Program

To achieve the City's Vision the City Operations Division has estimated its total allocation of capital investments according to both Priority and functional Business Units as follows:

By Priority

				Budget Change	
Expenditures (000's)	2013 Budget	2013 Actual	**2014 Budget**	Dollar Change	Per Cent Change
Improving Quality of Life	26,215.0	19,724.9	**30,668.8**	4,453.8	17.0
Providing Quality Services	7,421.0	10,370.3	**11,601.0**	4,180.0	56.3
Total	33,636.0	30,095.2	**42,269.8**	8,633.8	25.7

Capital Investment Program

By Business Unit

Expenditures ($000's)	2013 Budget	2013 Actual	**2014 Budget**	Budget Change Dollar Change	Budget Change Per Cent Change
Roadways Infrastructure	18,143.0	15,493.5	**19,704.6**	1,561.6	8.6
Bridges	3,244.0	2,510.3	**5,500.0**	2,256.0	69.5
Traffic Control & safety	4,808.0	1,700.0	**2,683.0**	(2,125.0)	(44.2)
Waste Management	5,320.0	8,176.8	**10,610.0**	5,290.0	99.4
Streetscape	851.0	150.9	**101.0**	(750.0)	(742.6)
Cemeteries	120.0	118.4	**90.0**	(30.0)	(25.0)
Golf Courses	350.0	389.3	**275.0**	(75.0)	(21.4)
Fire & Protective Services	20.0	21.1	**2,781.2**	2,761.2	13,806.0
Other	780.0	1,534.9	**525.0**	(255.0)	(32.7)
Total	33,636.0	30,095.2	**42,269.8**	8,633.8	25.7

Capital Project Funding Sources ($000's)					
Current Contributions	14,152.0	20,366.1	**20,106.4**	5,954.4	42.1
Gas Tax (GT)	7,337.0	7,237.4	**7,115.0**	(222.0)	(3.0)
Provincial Territorial	1,453.0	453.0	-	(1,453.0)	(100.0)
Service Agreement Fees (Roads)	1,288.0	455.5	**1,277.5**	(10.5)	(0.8)
Service Agreement Fees (Parks)	666.0	61.9	**95.9**	(570.1)	(85.6)
Asset Revitalization Reserve	2,200.0	-	-	(2,200.0)	(100.0)
Asphalt Plant Reserve	400.0	60.1	**150.0**	(250.0)	(62.5)
Cemetery Reserve	120.0	86.8	**90.0**	(30.0)	(25.0)
Fleet Replacement Reserve	350.0	350.0	-	(350.0)	(100.0)
Golf Course Reserve	350.0	226.3	**275.0**	(75.0)	(21.4)
Other External	-	-	**50.0**	50.0	100.0
Solid Waste Reserve	5,320.0	798.1	**13,110.0**	7,790.0	146.4
	33,636.0	30,095.2	**42,269.8**	8,633.8	25.7

Summary of Capital Investments

Details		($000s)
1.	Street Infrastructure Renewal - Asphalt resurfacing and concrete repair, consulting services, pavement asset management, local improvement walk, curb and gutter replacement, and reconstruction and resurfacing of roadways in conjunction with local improvement work.	19,704.6
2.	Bridge Infrastructure Renewal - Correction of structural deficiencies, inspection and engineering related to the safety and renewal of existing bridges.	5,500.0
3.	Traffic Control & Safety - This includes traffic signal rehabilitation and an alley lighting improvement program. Traffic signal rehabilitation is an annual program performing end of life asset replacement of 4% of the City's signalized intersections per year and includes the replacement of traffic signal poles, ducts, wiring, controls, lights, detection equipment, software, other ancillary supplies, and services based on the expected life span of poles and their components. The alley lighting improvement program arranges for and oversees the installation of alley lights under the Local Improvement Program.	2,683.0
4.	Other Transportation Projects - This is for the purchase of a new Slide-in Sander and Tandem Truck Unit.	375.0
5.	Landfill - This includes litter fencing and screening, an aerospace efficiency audit and the engineering design and construction of a new landfill site.	10,550.0
6.	Waste Collection - This provides for purchase of additional refuse carts for our population growth within the city.	60.0
7	Streetscaping - Includes plant material establishment funding.	101.0
8.	Other Capital Projects - This includes the upgrade of major components of the asphalt plant.	150.0
9.	Cemetery Improvements & Repairs - Cemeteries General Allocation - construction of monument strip foundations, columbarium purchases and installation, new and infill tree and shrub plantings, landscape upgrades, road repairs, sign installation and irrigation restoration.	90.0
10.	General Golf Course Projects - Golf Courses General Allocation - mitigation of water erosion, course restoration and improvements at all four Golf Courses.	275.0
11.	Fire Capital Equipment Restoration & Wellness - This program addresses unfunded equipment replacement needs according to NFPA Standards, CSA Standards and Occupational Health and Safety Regulations. It also includes the wellness/fitness equipment that supports the implementation and sustainability of the department's peer fitness program. As well, the funding requested is for the replacement of the civic radio system.	50.0
12.	Civic Radio System Replacement - The Trunked Radio System Infrastructure was upgraded in 2003 and many of the existing components are at the end of their life cycle. This project will facilitate a gradual, financially and technically feasible system migration to the P25 System that will begin in 2014 and conclude in 2018. Public Safety users require a Public Safety Grade Project 25 (P25) System. P25 is a suite of standards for digital radio communications for use by federal, provincial and local public safety agencies in North America that allow communication with other agencies and mutual aid response teams during emergencies.	2,731.2
2014 Budget		42,269.8

Corporate Services Division

Mandate

"The Division excels in providing services and support to our customers, both internal and external; enabling City operations to maximize its effectiveness and potential. Our Corporate Services team includes Financial Services, Information Technology Services, Human Resources, Fleet Services, and Facilities Management Services."

Overview

As described in our Mandate, the Corporate Services Division's efforts remain committed to supporting the corporate priorities and to providing services to the other Divisions. Corporate Services has developed its Divisional and Departmental plans with the intention of delivering on the Corporation's Strategic Priorities by focusing on achieving a solid foundation. The focus of the plans and corresponding budget are to stabilize our core services and to more effectively support our customers now and in the long-term. The 2014 Divisional Budget is summarized into the following functional areas:

- Administration – The Deputy City Manager and CFO, along with the strategic services and administrative staff are responsible for strategic direction to the five Departments, related administrative support, as well as establishing and monitoring policy and governance requirements and advising on appropriate project management methodology and controls.

- Facilities Management Services – The Department, led by the Director – Facilities Management Services, provides the space planning, construction project management, physical plant maintenance, and the day-to-day operation of City-owned facilities. The department also provides for the corporate facilities energy management and air quality programs, and the electricity and natural gas utility program for all civic facilities.

- Finance – The Department, led by the Director – Finance Department, provides internal and external financial reporting, accounting, budget, purchasing, cash management, and investment and debt management services for the Corporation. It manages customer service, billing, and collection for the City's water, wastewater, and drainage utility.

- Fleet Services – The Department, led by the Director – Fleet Services, supports the delivery of City programs and services by providing fleet management, maintenance, and operator training services. The department is also responsible for the Central Stores, Salvage, and Fuel Programs and management of the City's Towing Compound.

- Human Resources – The Department led by the Director – Human Resources provides guidance and support to the organization in attracting, optimizing, and retaining the high-performing workforce needed to achieve organizational goals. Support for the organization is achieved through the delivery of its five core services, Total Compensation, Recruitment, Safety, Development and HR management.

- Information Technology Services – The Department, led by the Director of ITS, provides leadership in business technology planning, using technology to enhance business processes and identifying new technology opportunities. The Department coordinates the selection, development, implementation, operation, and support of information technology and applications used by the City. Other core services include the integration, sharing and security of data, corporate telecommunications, printing, and mail delivery.

- Pensions and LTD – This business area reports to, and provides administrative services to several Pension and Long Term Disability Plans (LTD), which serve the City of Regina as well as other employers. This business area is funded through pension and long-term disability plans, and maintains a working relationship between the Plans' Administrative Boards and the Corporate Services Division.

Key Facts

- 75% of the total operating expenditures of this Division result from staffing related costs.
- Facilities Management Services supports more than 220 buildings and almost 400 additional structures that range from recreational, administrative, and operational buildings to spray pools, bus shelters, and park structures.
- The Finance Department is responsible for procurement, payments, and provides utility bills to 63.4 thousand households within the City. Finance delivers the audited Financial Statements and develops the Operating, Capital and Utility budgets each year
- Fleet Services manages and maintains about 1,200 vehicles within the Civic, Transit and Fire fleets, and annually delivers more than 300 operator training sessions attended by more than 1,600 employees. The Supply Services branch maintains an inventory of more than 8,400 different items to support City operations.
- Human Resources support approximately 290 client Managers and Supervisors, plus coordinators, team-leads, crew-leads, with managing and optimizing their Human Resources, encompassing more than 2,500 permanent, casual and seasonal employees. HR also supports employees directly in areas such as Benefits Administration and Compensation, and Payroll, and provides payroll services to several external, City-affiliated agencies.
- ITS supports 1,600 City staff, who utilize over 70 different business applications through a stable, state-of-the-art network connecting over 60 City facilities and enabling a mobile workforce.

2013 Highlights

Operational Highlights

Corporate Services remains focused on becoming a leader within the municipal sector and the following highlights from 2013 demonstrate this commitment:

- With the rapid growth occurring in the Harbour Landing area in south west Regina, a Parks Maintenance sub-depot is required to store equipment used to maintain City owned parkland in the area. The sub-depot in this location will eliminate inefficiencies created by the current location. In addition, a new outdoor rink was built near the sub-depot building and therefore it was determined that rather than build a typical stand-alone rink shelter, the rink shelter space could be accommodated within the parks maintenance sub-depot building. This will result in cost savings associated with the design and construction of the joint-use facility.
- In 2013, Facilities Management Services identified a number of public parking lots that were in critical need of repair including the Sandra Schmirler Leisure Centre, the Hamilton Arena, and the North West Leisure Centre. These repairs were scheduled during shutdowns of the facilities, thus limiting the disruption to the public.

- In 2013, Facilities Management Services assumed the lead of the Landfill Scale Facilities and Infrastructure Project. The project is comprised of a new entrance road to serve the landfill along with new support infrastructure including scales, scale facilities and other upgrades. The project deliverables will provide the City of Regina Landfill with support amenities that will serve users of the landfill for the next 25 years and will support the landfill expansion.

- Facilities Management Services performed 150 office moves in 2013 helping to create appropriate office space and adjacencies for business areas. In addition, we participated in almost 100 ergonomic assessments requiring furniture solutions.

- In 2013, the new security management system was commissioned. This system is scalable to accommodate Facilities security service needs now and allows for future expansion to facilities across the organization. In addition to the pre-existing access controlled facilities, electronic access control was activated at 5 neighbourhood recreation centres allowing customers and users to access the facility as required and allows Center administrators to protect the asset by controlling access. Moving forward more Facilities will be added as resources allow.

- Mosaic Stadium was extremely busy in 2013. In addition to the stadium's regular activity, there were four major events held at the facility. The stadium hosted a successful Paul McCartney concert in August, which had 45,000 spectators. In November, the venue very successfully hosted the Canadian Junior Football championship, a Canadian Football League Western final play-off game and the biggest party in Canada – the 101st Grey Cup championship, which attracted 45,000 fans.

- The Business Transformation Program began in 2012 with the solid foundation of a newly upgraded financial system with new processes and a revised chart of accounts. The multi-year program continued by improving processes and securing the City's information through integrating purchasing card transaction data from the banks directly into the financial system, thereby improving our management reporting capability. In 2013, the following projects were completed:

    I. Supply Chain Self Serve – provides City of Regina suppliers with on-line access to competitive bid documents through SaskTenders to shorten the competitive bid cycle time and modernized the City's approach to be the same as the rest of the industry. Less efficient distribution methods including mail, courier, pickup and email have been discontinued.

    II. Requestor Self-Serve –provides employees on-line access to perform inquiries of purchase orders, invoices and payments, initiate blanket order releases and authorize payment through the receipt creation form. This self-serve approach replaces a paper based process between the operating areas and the procurement group.

    III. Tangible Capital Assets (TCA) Register Conversion – converted TCA data from individual spreadsheet to the centralized Oracle Assets module. This project improved data security and integrity and is a foundational piece before automating the asset management processes between the business areas in charge of assets and Finance. This project improves reporting capability and audit requirements.

- Additional Business Transformation projects commenced in 2013 and continuing into 2014 and 2015 include:

    I. HR & Payroll System, Time & Labour and Scheduling – will replace the current HR and Payroll system with solutions that are integrated with the updated financial system. Along with technology investment is a policy and process refresh that is essential to transforming and modernizing HR services. An integrated corporate scheduling solution will also be implemented. These integrated solutions will ensure more efficient and effective human resource support to the organization.

II. Corporate Payment Collection - will replace the unsupported Cashier system with Corporate Payment Collection technology. This project will also introduce a formal corporate money handling policy that will be adopted by all employees handling cash or cash equivalents to reduce financial risk.

- In 2013, four of the five collective bargaining agreements were renegotiated successfully. Directors of various operating areas led the negotiating teams. The HR department drove the overall coordination and leadership of the bargaining process.

- A measure on the 2013 corporate scorecard, to promote a safety culture within the organization, required that at least 80% of the managers and supervisors in the organization conduct regular safety meetings and workplace inspections as prescribed in the City of Regina, Safety Accountability Matrix. Human Resources provided support and direction throughout 2013 to support this initiative and the organization is on track to meet its target.

- An objective on the 2013 corporate scorecard is to reduce personal and financial risk to employees and the organization by promoting a strong safety culture. This objective includes the target of organizationally achieving a lost time incident frequency of six. Human Resources developed and delivered the foundational components of the safety program, which has enabled/assisted the City in changing its culture towards safety. If the current trend in accident reduction is maintained until year-end, the City will have successfully met its target.

- The City of Regina undertakes a comprehensive survey of employee perceptions once every two years. Employees participated in this survey in June of 2013, in the fall the survey results were shared with employees. HR will focus on supporting departments to build actions into their 2014 business plans to respond to the issues and ideas raised by the employees. In addition, HR is facilitating a consultant led process to further analyze the corporate results and determine corporate action plans moving forward.

- HR has built a new business/service model based on client needs and focused on developing our solid foundation. To support the new services model HR undertook a significant re-organization in 2013. Although a new organizational structure will not on its own change HR, it is one of the tools that HR will use to enhance overall service provision to clients.

- The Fleet Services Department continues to implement the recommendations of the GreenFleet Report to minimize the negative environmental impacts of the City's vehicle and equipment fleet.

- The Fleet Services Department has negotiated and implemented Service Level Memorandums of Understandings with the Transit and Fire & Protective Services departments. These MOUs formalize the working relationship between Fleet Services and its customer departments by describing the mutually agreed service level expectations, roles and responsibilities, costs, and performance measures. Similar agreements are planned to be implemented for other customer departments over the next couple of years.

- A five-year Funding Sustainability and Equipment Modernization Strategy continue to be implemented for the Transit and Fire fleets. When completed in 2015, the replacement of Transit and Fire fleet vehicles will be fully funded by a dedicated reserve, and the average age of both fleets will be reduced to accepted industry guidelines.

- Enabled a mobile workforce through implementation of tablets and other mobile devices. This included Commercial Assessment, Fire and City Operations, resulting in improved business efficiencies and quicker response.

- Upgraded the Work Asset Management system to provide better integration with other City applications.

- Upgraded the Records Management System to prepare for electronic records management.

- Established working committees to provide corporate strategic direction and priority setting on technology and data used across the organization.

- Provided development and support for the creation and maintenance of recycling & garbage services and inventory within the Water Utility Billing system. Working with third parties, we also developed processes for route maintenance and mapping services for online services.

- Completed the on-line access to property assessment information through the tax and assessment system for key 3rd party customers.

- Continued expansion of the City's fixed broadband wireless network that connects Traffic Signals and buildings to the corporate network, including improved connection to the Landfill site, arenas, and leisure facilities.

- The City's data backup & recovery system was optimized to improve efficiency and reduce business disruptions.

- Identified strategic direction for office productivity and collaboration applications, with a decision to move to a hosted cloud solution. Microsoft's Office365 offering was selected as the most suitable for the City's environment.

- Completed the conversion of the City's email solution from GroupWise to Outlook. Over 1,700 corporate mailboxes were migrated and employees trained in six weeks.

- The City's 20 year old data network was redesigned to align with current technology standards, providing additional stability, security, and flexibility. The environment is now better positioned to keep up with technology advancements.

- Implemented a new network storage solution to provide additional performance capacity and flexibility to corporate business areas, while minimizing future costs.

- Continued using LEAN methodology to perform value-based mapping of key internal processes. Implemented revised processes and new technology within the Print Shop, and did the same in the rest of ITS with processes involving IT Service Management. The initiative included workforce analysis & staff reorganization, creation of a service catalogue and implementation of a new ITSM tool.

- Upgraded Fleet Management system to most current release, maintaining currency.

- Expanded Print Services capabilities, enabling in-house support for additional print requirements.

- Financial Services is the lead in implementing the capture and reporting of the Public Sector Accounting Board (PSAB) requirements for tangible capital assets. Over $1.5 billion in City assets have been classified and reported since the City's 2009 Financial Statements. The City will report on the complete stock of tangible capital assets and amortization in the financial statements to demonstrate stewardship and the cost of using those assets to deliver programs and provide services.

- Finance successfully implemented the Assets module of Oracle Financials in order to improve the data security and integrity, enhance internal controls and automate some of the previously manual functions. The module is also a foundational piece that integrates with other Oracle Financials modules being planned for in the future as part of the ongoing Business Transformation Program.

Priorities

Corporate Services continues its focus in 2014 to achieve a solid foundation and set the stage to effectively support our customers in the short and long term. This means the Corporate Services Division has confidence it can meet the basic service standards, including minimum levels of certification and asset management. City assets are protected and safe and core business functions are defined and understood, and core processes are documented. Corporate Services will achieve this solid foundation through:

- investing in people,
- investing in technology,
- improving and integrating processes,
- improving governance and stewardship; and,
- defining and managing service expectations.

The 2014 Divisional Budget provides the resources to deliver these results and is summarized as follows:

Key Areas of Focus

Initiatives

- Development of a long-term Corporate Facilities Strategy, implementing a preventative maintenance program, defining a revitalization plan for current facilities and a strategic approach to Facilities program management and the development of new facilities.
- Undertake an assessment of the financial and HR systems and processes challenges that exist in the corporation.
- With the development of a new HR service delivery model clients will receive service that focuses on meeting their specific needs.
- Lead or provide support to a number of corporate projects including Fleet Centralization

Outcomes

I. Effective financial management.
II. Revitalized facilities.
III. Effective fleet management.

Initiatives

- Continue to support corporate organizational capacity in the operating divisions' organizational structure changes and the delivery of new projects and programs.
- Communicate to the operating divisions Corporate Services' role and responsibilities, service levels, performance measures, and customer satisfaction measures.
- "Create a solid foundation" – address the significant staff shortage throughout the Division.
- Establish and document basic policy, procedures, and processes to ensure consistency, clarity, and stability for the division and organization.
- Completing the actions set out in the department business plans that align with the Corporate Strategic Plan and the Division Business Plan.
- Development of the Business Transformation strategy and roadmap and implement the first set of projects
- Undertake Strategic Workforce Planning to assess our staffing needs in the short and long terms.

Outcomes

I. Appropriately skilled and knowledgeable employees.
II. Engaged employees, supervisors and managers.
III. Appropriate and efficient information technology tools in a secure environment.

Initiatives

- Provide ongoing support and services to the operating divisions in the daily operations and the delivery of the new projects and programs.

Outcomes

I. A compact urban form and sufficient supply of land for future growth.
II. Optimization of existing infrastructure capacity.
III. A consolidated approach to providing community investments.

Initiatives

- Develop and implement process and program improvements, and other innovations which will increase our focus on customers, establish common understanding of business objectives and priorities, improve our capacity to work smarter and be better positioned to assist operating divisions achieve their business objectives.

- Continue to support programs and services that meet the needs of the community.

- In partnership with Service Regina, re-develop the main floor of City Hall to provide a high quality, seamless and consistent approach to in-person service delivery to visitors to City Hall and improve security for employees, customers and assets.

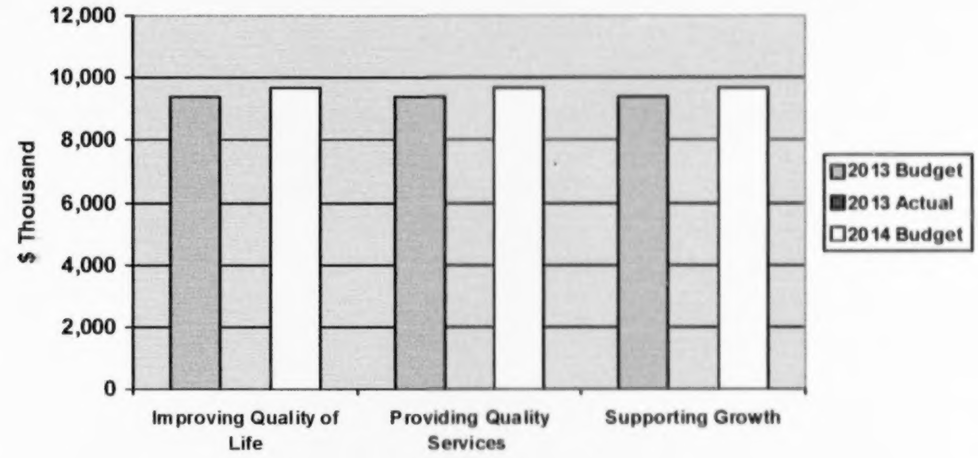
Outcomes

I. Increased customer awareness and involvement.
II. Increased customer satisfaction.
III. Efficient, customer-focused processes.

Operating Expenditure Summaries ($000's)

To achieve the City's Vision, the Corporate Services Division has estimated its total allocation of operating budget as follows:

By Priority



In a more traditional format the Corporate Services Division has summarized its operating budget as follows:

By Business Unit

Expenditures (000's)	2013 Budget	2013 Actual	**2014 Budget**	Budget Change Dollar Change	Per Cent Change
Administration	736.5	766.4	**764.4**	27.9	3.8
Facilities Management Services	4,764.5	4,746.6	**5,116.2**	351.7	7.4
Finance	6,847.2	6,749.3	**6,511.2**	(336.0)	(4.9)
Human Resources	5,746.2	5,582.9	**5,876.5**	130.3	2.3
Information Technology Services	8,200.7	7,673.3	**8,750.1**	549.4	6.7
Fleet Services	1,113.4	1,140.8	**1,165.7**	52.3	4.7
Pensions & LTD	105.3	106.6	**113.8**	8.5	8.1
Total Operating Expenditures	27,513.8	26,765.9	**28,297.9**	784.1	2.8
Transfers to a Reserve	656.3	12,230.4	**576.3**	(80.0)	(12.2)
Total Expenditures	28,170.1	38,996.3	**28,874.2**	704.1	2.5

By Expense Object

				Budget Change	
Expenditures (000's)	2013 Budget	2013 Actual	**2014 Budget**	Dollar Change	Per Cent Change
Salary & Benefits	20,102.5	18,672.6	**21,336.7**	1,234.2	6.1
Employee Related Payments	420.1	387.8	**426.1**	6.0	1.4
Office & Administrative Expenses	2,417.3	2,598.3	**2,589.3**	172.0	7.1
Professional & External Services	2,548.5	2,912.0	**2,298.4**	(250.1)	(9.8)
Materials, Goods & Supplies	269.8	352.0	**272.5**	2.7	1.0
Other Expenditures	920.5	974.3	**876.8**	(43.7)	(4.7)
Intra-Municipal Services	835.1	868.9	**498.1**	(337.0)	(40.4)
Total Operating Expenditures	27,513.8	26,765.9	**28,297.9**	784.1	2.8
Transfer to a Reserve	656.3	12,230.4	**576.3**	(80.0)	(12.2)
Total Expenditures	28,170.1	38,996.3	**28,874.2**	704.1	2.5

Costing Fund

The Corporate Services Division provides service to other Divisions that are charged out to their operating budgets. On a stand-alone basis, these costs are reflected as follows:

				Budget Change	
Expenditures (000's)	2013 Budget	2013 Actual	**2014 Budget**	Dollar Change	Per Cent Change
Corporate Services:					
Fleet Services	29,542.0	26,292.6	**31,485.7**	1,943.7	6.6
Facilities Costs - Fleet Services	484.9	434.2	**484.8**	(0.1)	(0.0)
Total Fleet Services Costs	30,026.9	26,726.8	**31,970.5**	1,943.6	6.5
Information Systems	1,619.1	1,525.8	**1,570.4**	(48.7)	(3.0)
Facilities & Energy Management	4,558.9	4,395.2	**4,498.1**	(60.8)	(1.3)
Total Corporate Services	36,204.9	32,647.8	**38,039.0**	1,834.1	5.1

Staff Complement

Full Time Equivalents (FTE's)	**2013**	**2014**
Permanent	277.0	284.0
Casual	20.3	20.3
Total	297.3	304.3

Analysis of Operating Expenditure Budget Changes

2013 Budget		28,170.1
1.	Salaries and Benefits - Includes cost changes resulting from in-range progression increases, classification reviews and employer benefit costs. (Base)	654.6
2.	Uncontrollable Price Increases - Are those increases in expenditures that are due to price not volume. This increase cannot be managed by doing less, renegotiating a different price or going to a different supplier. (Base)	173.7
3.	Remove 2013 One-Time Expenses. (Base)	(286.3)
4.	2014 Budget Corrections. (Base)	(244.1)
5.	Reallocation of budget to the costing fund. (Base)	(47.8)
6.	Coordinator - Maintenance - position is required to support the advancement of the branch providing a level between the staff and management. (1 Permanent FTE) (On-going)	94.4
7.	HVAC Specialist - required to address a service gap in the maintenance of the computer-based systems that control heating, ventilation and air conditioning in the major facilities for the City. (1 Permanent FTE) (On-going)	85.7
8.	Fleet Training Officer - to allow more employees to be trained/retrained and reduce waiting times. (1 Permanent FTE) (On-going)	76.9
9.	Programmer Analyst - with increased growth in use of technology and the increased number of users the demand on IT resources for support has increased. Rather than provide support through over time the additional FTE will help improve service levels and reduce after hour support. Benchmarking shows we are below other similar sized organizations for staff to support applications like Oracle. (1 Permanent FTE) (On-going)	75.6
10.	Policy & Procedure Analyst - numerous new policies and procedures in Finance are required due to large projects such as Assets, Corporate Payment Collection System, WWTP, RRI, Budget module and purchasing and payables. The resource is to update current procedures based on new technologies and/or processes as well as incorporate new/emerging issues, and updated legislation. (1 Permanent FTE) (On-going)	75.1
11.	Building Services Analyst - this position is required in the Building Services branch to provide support for day to day office space management, employer provided parking, furniture inventory and to support the corporate facility security program. (1 Permanent FTE) (On-going)	65.2
12.	Utility Billing Clerical Staff - request to make the additional staff to manage the administration of billing for Waste Plan Regina services a permanent position. (1 Permanent FTE) (On-going)	53.0
13.	Conversion of a permanent Purchasing Clerk position to a Senior Procurement Officer to support the growth in purchasing related to the increased volume of programs and services delivered by the City. (On-going)	31.3
14.	Associated costs in the division related to Boundary Alteration Implementation. (One-time)	50.0
15.	Changes to costs allocated from other departments	(153.2)
2014 Budget		28,874.2

Note:
Base request funding – represents an increase in cost necessary to maintain current service levels.
On-going request funding – represents expenditures that would be ongoing past the current budget year.
One-time request funding – represents one-time expenditures for the current budget year.

Capital Investment Program

To achieve the City's Vision the Corporate Services Division has estimated its total allocation of capital investments according to both Priority and functional Business Unit as follows:

By Priority

Expenditures (000's)	2013 Budget	2013 Actual	2014 Budget	Budget Change Dollar Change	Budget Change Per Cent Change
Providing Quality Services	23,068.0	25,050.7	**24,470.2**	1,402.2	6.1

By Business Unit

Expenditures (000's)	2013 Budget	2013 Actual	2014 Budget	Budget Change Dollar Change	Budget Change Per Cent Change
Facilities Management Services	8,290.0	7,148.6	**5,850.0**	(2,440.0)	(29.4)
Fleet Services	11,324.0	15,233.7	**16,340.2**	5,016.2	44.3
Information Technology Services	3,454.0	2,668.4	**2,280.0**	(1,174.0)	(34.0)
Total	23,068.0	25,050.7	**24,470.2**	1,402.2	6.1

Summary of Capital Investments

	Details	(000's)
1.	Major projects include corporate office space for new employees and the Douglas Park/Leibel Field Support Facility.	2,250.0
2.	Asset Revitalization & Sustainability – This is funding for the regular capital maintenance of all facilities to ensure safety of occupants and long-term use and preservation	3,600.0
3.	In 2014, a total of 118 fleet vehicles and mobile equipment units are planned to be replaced. Included are 94 Civic fleet units, 21 Transit fleet units (15 Transit buses and six Paratransit buses), and three Fire fleet units (one aerial platform truck and two support vehicles). Replacement of these units will preserve an acceptable average fleet age and maintain acceptable vehicle availability, safety, reliability, productivity, and maintenance costs.	16,340.2
4.	Business Applications – In 2014, the following business applications will be implemented: The Business Transformation project and Digital Archive.	1,800.0
5.	Supporting Infrastructure – In 2014, the technology infrastructure will focus on updating Sustainable Infrastructure, improving IT Security Monitoring, managing Technology Growth, software purchased to proactively monitor database performance and the migration to a new network operating system	480.0
	2014 Budget	24,470.2

Community Planning & Development Division

Mandate

Community Planning & Development provides a long-term comprehensive approach to planning, engineering and development processes. The Division ensures the efficient use of land and community infrastructure in creating a city that reflects Council's Vision and the goals of Regina residents. Specifically, the Division plans land use, neighbourhoods, transportation and infrastructure. It engages in long-range capital planning and development reviews. It also issues building permits and conducts building inspections. Finally, the Division provides real estate services as well as community and parking services.

Overview

The Community Planning & Development Division is focused primarily on managing growth, development and the provision of infrastructure that is responsive to the needs and aspirations of the community. In addition, the Division seeks to improve its citizens' quality of life through community development services that contribute to strong communities and neighbourhoods. The Division consists of four departments, each led by a Director. In the fourth quarter of 2013, a new organizational structure was announced and further changes to the Division will take place in 2014.

- **Planning** – This Department consists of three Branches: Long Range Planning, Current Planning and Neighbourhood Planning. The Department is responsible for preparing and maintaining the Official Community Plan (OCP) to guide the future growth of Regina. It is also implementing the OCP through zoning and subdivision approval. The Department is responsible for the regulation of zoning and administers housing, heritage and sustainability programs to enhance the quality of life for citizens. The planning process is collaborative and responsive to the community. It is also dedicated to guiding development as a result of infrastructure demand in a cost effective manner. It aims to achieve a high quality of life, housing choice, and sustainability within the City.

- **Construction & Compliance** – This Department has five branches: Engineering Services, Building Standards, Bylaw & Licensing, Parking Services, and Infrastructure Planning. The Engineering Services Branch manages infrastructure related activities to provide City-wide services and includes the provision of geomatics and drafting services in support of construction programs, maintenance of infrastructure assets database, and liaison with utilities, and other outside agencies. The Branch is also responsible for detailed design, construction, and inspection of new infrastructure as well as the City construction specifications. The Building Standards Branch is responsible for building permitting, inspection processes and building standards compliance. Bylaw & Licensing monitors and ensures compliance with City bylaws and federal and provincial acts and regulations. The newly created Parking Services branch is responsible for the development and implementation of parking policy, enforcement, permits and meters. The Infrastructure Planning Branch provides engineering reviews of planning applications, manages development agreements, policies related to development standards, Servicing Agreement Fee policy and rate review, and the long range planning of the infrastructure needs required for the growth of the City.

- **Assessment, Tax & Real Estate** – This Department is responsible for assessment, property tax administration, and real estate services within three branches. The Assessment Branch is responsible for assessing all properties in accordance with *The Cities Act,* the assessment manual, and board orders adopted by the Saskatchewan Assessment Management Agency. The Property Taxation and Administration Branch is the administrator of property tax revenues – including billing, collection, and tax enforcement. It is responsible for the administration of exemption programs, supporting systems, local improvement, special levies, and assessment administration. This includes tax and assessment notices, market data and surveys, property ownership and school support records. The Real Estate Branch provides the City of Regina with all required real estate services. These services include land development, the purchase or lease of properties when needed for City operations; the sale or lease of City-owned properties; disposition of properties taken under the tax enforcement process; acquisition of easement rights; and, the provision of real estate information and services to local developers, real estate agents and City residents.

- **Community Development, Recreation & Parks Department** - This Department's mandate is to make life better through community development services that contribute to building strong communities and neighbourhoods. The department is comprised of three branches: Community Development, Sport & Recreation, and Parks Maintenance. Through its community engagement activities, the Department provides programming and operates city-wide, community destination and neighbourhood hub facilities including facilities dedicated to arts and culture, fitness, aquatics, arenas, and skating rinks. The Department plans, designs, develops and maintains an extensive and diverse park and open space system consisting of attractive landscapes and outdoor recreation facilities, including the multi-use pathway system, athletic fields, and playgrounds. The Department also coordinates special events, such as competitions, festivals, concerts, and community events. It manages the distribution of community investment funding, provided to community-based organizations to fulfill their mandates. This funding targets projects that help the City achieve its vision and strategic priorities.

Key Facts

Planning

- $1.8 million of funding created 166 affordable housing units and seven city-owned lots went to local non-profit housing providers.

- There is half as much Graffiti in the downtown area since 2011 because of the effectiveness of the Graffiti Management Program.

- The department reviewed and approved a residential laneway housing pilot project for 11 residential lots in the Greens on Gardiner community.

- The City of Regina and the RM of Sherwood signed a Memorandum of Understanding. As a result, they have begun discussions regarding joint planning.

Construction & Compliance

- The department projects $550 million of new construction in Regina. This includes a 20% increase in dwelling unit construction over the past year.

- There were 25 Servicing Agreements executed with land developers in 2013 through the Infrastructure Planning Branch. These agreements pertain to the provision of services and collection of Servicing Agreement Fees in new growth areas of the City.

- Over the last three years, there has been an approximate 30% increase in the number of applications approved by the Engineering Services Branch to connect to the City's water and/or sewer system. In 2013, the Engineering Services Branch conducted more than 90 reviews.

- A number of supporting studies have been initiated and are underway such as the Financing Growth Study, Environment Study, Serviceability studies, and ongoing work towards the City's upcoming Transportation Master Plan and a Regional Serviceability Study.

Assessment, Tax & Real Estate

- The Assessment Branch responded to 223 appeals at the Board of Revision. Of these appeals, 156 were denied, five were granted, 11 were resolved by agreements, and 51 were withdrawn.

- The Assessment Branch completed 7,829 inspections in 2013, an increase of 8% since 2012.

- There were 2,548 new property accounts added to the assessment and tax rolls.

- For the 2013 tax year, 35,400 or 46.9% of eligible properties are on the Tax Instalment Payment Plan (TIPPS).

Community Development, Recreation & Parks

- The department maintains a large and diverse municipal park and open space system comprised of a total of 1,592 hectares or approximately eight hectares of open space per 1,000 people. Included in the 1,592 hectares of open space are 324 parks.

- Through community investment funding of $3.3M in 2013, the City provided financial support to approximately 110 community and partner organizations.

- Each year approximately 70,000 people visit the Neil Balkwill Civic Arts Centre (NBCAC) for a variety of exhibitions, arts and culture programs as well as hosting their own cultural events from the site.

- There are more than one million individual visits to participate in sport or leisure activities at one of the City's fitness and aquatic facilities every year.

2013 Highlights

Operational Highlights

Construction and Compliance

- The Building Standards Branch completed a study of the Building Permit fee for service model which balances resources to the present record activity levels in the building industry.
- Parking enforcement moved to City Hall and negotiated a new enforcement contract with the Corps of Commissionaires.
- A new procedure manual was developed and implemented to ensure consistency in the enforcement of the Regina Property Maintenance Bylaw #2008-48.
- Staff within the Infrastructure Planning Branch had a key role in developing the growth plan and necessary policies that accompany the City's Official Community Plan.
- The Engineering Services Branch assisted in the preparation of the site within Evraz Place for the new stadium.
- The Drafting work section is evaluating how updated AutoCAD software could be applied to the City's design processes and standards in order to improve productivity, the management and exchange of data across departments, and increase communication among departments.

Assessment, Tax & Real Estate

- The International Association of Assessing Officers awarded the "Excellence in Assessment Administration Certification" to the Assessment, Property Tax and Real Estate Department. Regina is the first jurisdiction in Canada to receive this certification.
- The 2013 Reassessment completion was successful, with fewer customer inquiries and appeals than previous reassessments.
- The Real Estate Branch created, serviced, and sold 47 acres of Industrial zoned lots in the Ross Industrial Park

Community Development, Recreation & Parks

- The department is facilitating the development of the City's first cultural plan. This plan is a 10-year guiding plan that outlines the City's goals and objectives in cultural development – which includes cultural heritage, art, multiculturalism, inter-culturalism, cultural landscapes, and cultural industries.
- A new Community Investment Grants Program was approved by City Council in June 2012. The revitalized program provides funding to organizations working towards cultural development, social development, and sport and recreation outcomes.
- The City hosted a wide array of special events in 2013 including the Juno Awards, a Paul McCartney concert and the Grey Cup.
- The City continued to implement components of the Recreation Facility Plan by upgrading three playgrounds in 2013. They also added to its already extensive multi-use pathway that extends 48kms across Regina. The construction of the North West multi-use pathway, set for completion in 2013-2014, will increase the pathway to extend more than 51kms across the city. An additional 10 hectares of new open space was added in 2013.

Planning

- The development of a Comprehensive Housing Strategy was completed in 2013 with implementation continuing into 2014. The Strategy includes a complete revision of housing incentives to better aim City resources at housing needs.
- The department implemented most of the recommendations of the Regina Downtown Neighbourhood Plans (RDNP) and the Heritage Neighbourhood Sustainability Action Plan.
- The final draft of Design Regina, the City's official community plans (OCP), was completed and presented to Council for adoption prior to being submitted for provincial approval which is expected in 2014. The OCP establishes a plan to accommodate development and change in the community. It also sets the stage for short and long-term public and private investment. In support of Design Regina, the City has started the process of boundary alteration to ensure adequate land is available to sustain our growth plans.
- The City and RM of Sherwood signed a Memorandum of Understanding and established three Committees who will collaborate on land use planning and servicing in a joint planning area. Other regional work included joint resolutions of the City and RM Council's to alter the City boundary, hosting a Regional Planning Summit, and participation on committees with regional partners.

Priorities

The Community Planning & Development Division is the City's lead Division in the planning and management of the City's growth. In a municipality where the size and needs of the population are in flux, this approach allows Community Planning & Development to drive strategic development through the implementation of innovative tax policies and ensuring growth pays for growth wherever possible. The City's approach to comprehensive planning is holistic: it looks at the physical, economic, environmental, social, and cultural developments of the City. It also focuses a wide-angle lens on a community in the process of being planning and building new or expanded neighbourhoods.

The Division's role in the development process begins with the establishment of a hierarchy of comprehensive policies, strategies, and plans to manage the growth of the City. The top most plan is the Official Community Plan (OCP) that addresses City and city-wide policies. The OCP is the adopted official statement of the City for future development and conservation. It sets out goals; analyzes existing conditions and trends; describes and illustrates a vision for the physical, social, economic, and cultural characteristics of the community in the years ahead; and, outlines the policies and guidelines intended to implement that vision. An OCP addresses a broad range of interrelated topics in a unified way, and identifies and analyzes the important relationships among the economy, transportation, community facilities and services, housing, the environment, land use, human services and other community components. It does so on a community-wide basis and in the context of the broader region.

The 2014 Divisional Budget provides the financial resources to deliver these results. Its summary is as follows:

Key Areas of Focus

Initiatives

- Review and rewrite The Regina Property Maintenance Bylaw 2008-48.
- Undertake a major review of the Administration of Servicing Agreement Fees and Development Levies.
- Review the processes used in the collection of residential property assessment data.
- Initiate a process for a comprehensive review of the Zoning Bylaw, as per the new Official Community Plan.
- Implement the Official Community Plan, including a phasing and financing strategy, intensification strategy, and next stage growth plan.

Outcomes

I. Effective financial management.
II. A responsive, diverse, well-managed open space system that includes parks, pathways, and landscapes.
III. Reliable water, wastewater, storm, and roadway infrastructure.
IV. Revitalized facilities.
V. Effective fleet management.
VI. Rigorous data and monitoring of key performance indicators.

Initiatives

- Improve the City's design processes and standards in order to increase productivity, manage and exchange of data across departments, and increase communication among departments.
- Balance the resources and staff training required for current record levels of building activity in the City.
- Review commercial properties in specific valuation models to better align data elements with the income approach, creating values that are more accurate.

Outcomes

I. Improved business plans and models.
II. Effective performance measurement and performance management.
III. Skilled, knowledgeable and engaged employees, supervisors and managers.
IV. A representative workforce.

Initiatives

- Support of the implementation of the boundary alteration (annexation)
- Continue to work collaboratively with other funding partners, including the Ministry of Education, Regina Public School Board, the Regina Public Library, and numerous other community organizations on the creation of the innovative North Central Shared Facility
- Plan and construct land development projects
- Review the Neighbourhood Support Model, which includes a review of the existing neighbourhood support delivery system involving Community Associations and Zone Boards
- Continue funding Affordable Housing Programs. The Approval of $600,000 from the provincial Affordable Homeownership Program (AHOP) to the Social Development Reserve for 2012-2015 will support this endeavour.
- Participate in the provincial Headstart on a Home Program (HSOH), which resulted in the creation of 185 entry-level housing units in 2013.
- Continue regional and joint planning with neighbouring municipalities and agencies.

Outcomes

1. A compact and sustainable urban form and sufficient supply of land for future growth.
2. Increased pedestrian, bicycle and public transit use.
3. Optimization of existing infrastructure capacity.
4. Directed investment to enhance the vibrancy of downtown.
5. Community investments align with corporate and community priorities.
6. Organizations that have the capacity strengthen their communities.

Initiatives

- Implement the parking study recommendations.
- Advance the availability of remote assessment data collection and verification – improving quality of our data, increasing efficiency, and creating better customer service.
- Hold the 2014 North American Indigenous Games from July 20-27, 2014. This event will highlight sport, culture, youth, volunteerism, and provide opportunities for collaboration between First Nations, Métis, and Non-Indigenous communities
- Incorporate best practice research, assess opportunities, consult the public and develop recommendations regarding the future provision of sport and leisure facilities across the City. Develop a community portal, connected to the City website, for immigrants.

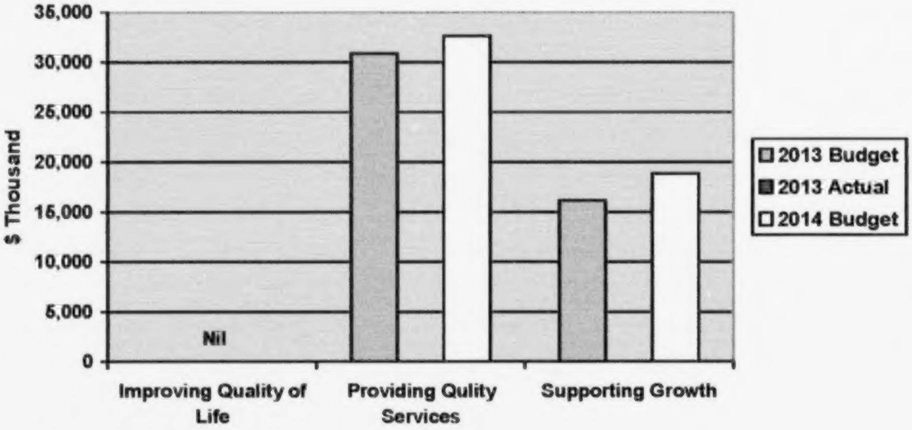
Outcomes

1. Increased customer awareness and involvement.
2. Increased customer satisfaction.
3. Efficient, customer-focused processes.

Operating Expenditure Summary ($000's)

To achieve the City's Vision, the Community Planning and Development Division has estimated its total allocation of operating budget as follows:

By Priority



In a more traditional format, the Community Planning and Development Division has summarized its operating budget as follows:

Business Unit

				Budget Change	
Expenditures (000's)	2013 Budget	2013 Actual	**2014 Budget**	Dollar Change	Per Cent Change
Administration	581.6	589.9	**1,061.0**	479.4	82.4
Planning Department					
Office of the Director	1,412.3	1,429.7	**1,524.1**	111.8	7.9
Current Planning Branch	998.2	1,068.5	**1,191.0**	192.8	19.3
Long Range Planning Branch	1,285.2	1,352.1	**1,380.7**	95.5	7.4
Neighbourhood Planning	694.0	3,601.4	**1,083.0**	389.0	56.1
	4,389.7	7,451.7	**5,178.8**	789.1	18.0
Construction & Compliance					
Office of the Director	161.2	217.6	**253.9**	92.7	57.5
Engineering Services Branch	1,772.7	1,504.1	**1,962.7**	190.0	10.7
Building Standards Branch	2,240.0	2,335.3	**2,595.6**	355.6	15.9
Infrastructure Planning	714.8	677.9	**1,111.4**	396.6	55.5
Bylaw & Licensing	4,706.6	4,653.0	**4,940.4**	233.8	5.0
Parking Services	1,724.8	1,977.2	**2,292.0**	567.2	32.9
	11,320.1	11,365.1	**13,156.0**	1,835.9	16.2
Assessment & Taxation					
Assessment Valuation Branch	2,392.9	2,274.4	**2,533.8**	140.9	5.9
Property Tax & Administration Branch	2,026.8	1,793.1	**2,006.7**	(20.1)	(1.0)
	4,419.7	4,067.5	**4,540.5**	120.8	2.7
Community Development, Recreation & Parks					
Office of the Director	1,027.2	1,034.6	**1,063.4**	36.2	3.5
Community Development	1,819.3	1,783.7	**1,944.5**	125.2	6.9
Parks Maintenance	7,713.8	7,776.1	**8,131.2**	417.4	5.4
Sport & Recreation Branch	6,911.1	7,529.1	**7,181.1**	270.0	3.9
Facilities Costs - Community & Neighbourhood Centres	641.8	554.3	**632.1**	(9.7)	(1.5)
Facilities Costs - Sport & Recreation	7,676.8	7,787.8	**7,659.7**	(17.1)	(0.2)
Parks & Open Space Mgmt Costs - Sport & Recreation	101.0	110.7	**97.0**	(4.0)	(4.0)
	25,891.0	26,576.3	**26,709.0**	818.0	3.2
Total Operating Expenditures	46,602.1	50,050.5	**50,645.3**	4,043.2	8.7
Transfers to a Reserve	223.4	5,014.3	**221.4**	0.0	(0.9)
Total Expenditures	46,825.5	55,064.8	**50,866.7**	4,041.2	8.6

Expense Object

Expenditures (000's)	2013 Budget	2013 Actual	**2014 Budget**	Budget Change Dollar Change	Budget Change Per Cent Change
Salaries & Benefits	31,392.0	29,634.7	**34,649.3**	3,257.3	10.4
Employee Related Payments	364.0	382.9	**409.2**	45.2	12.4
Office & Administrative Expenses	1,662.7	1,576.0	**897.3**	(765.4)	(46.0)
Professional & External Services	2,298.9	2,947.7	**3,903.0**	1,604.1	69.8
Materials, Goods & Supplies	1,246.2	1,464.3	**1,417.0**	170.8	13.7
Community Investment	77.5	679.1	**27.5**	(50.0)	(64.5)
Other Expenditures	4,941.1	6,050.0	**4,839.0**	(102.1)	(2.1)
Intra-Municipal Services	4,800.6	7,315.8	**4,503.0**	(297.6)	(6.2)
Total Operating Expenditures	46,783.0	50,050.5	**50,645.3**	3,862.3	8.3
Transfer to a Reserve	223.4	5,014.3	**221.4**	(2.0)	(100.0)
Total Expenditures	47,006.4	55,064.8	**50,866.7**	3,860.3	8.2

Costing Fund

The Real Estate operation is a part of the Community Planning and Development Division and is accounted for in the costing fund. The net surplus or deficit of real operations is closed to the Land Development Reserve.

Expenditures (000's)	2013 Budget	2013 Actual	**2014 Budget**	Budget Change Dollar Change	Budget Change Per Cent Change
Community Planning & Development:					
Real Estate	3,043.9	19,288.2	**3,398.8**	354.9	11.7
Facilities Costs - Real Estate	1,231.4	1,217.9	**1,276.5**	45.1	3.7
Total C P & D	4,275.3	20,506.1	**4,675.3**	400.0	9.4

Staff Complement

Full Time Equivalents	**2013**	**2014**
Permanent	270.4	285.4
Casual	131.9	134.6
Total	402.3	420.0

Analysis of Operating Expenditure Budget Change

Details	($000's)
2013 Budget	47,006.4
1. Salaries & Benefits - Includes cost changes resulting from in range progression increases, classification reviews and employer benefit costs. (Base)	1,856.3
2. Allocations to Utility Operations from General Operations	(339.5)
3. Transfer to Planning & Sustainability Reserve. (Base)	(2.0)
4. Uncontrollable Price Increases - Are those increases in expenditures that are due to price not volume. This increase cannot be managed by doing less, renegotiating a different price or going to a different supplier. (Base)	94.3
5. Remove 2013 One-Time Expenses related to NAIG (Base)	(80.0)
6. Net cost of taking over the operations of Rambler Park on an on-going basis from Rambler Park Development Association (RPDA) net of the grant the City provided to RPDA (1.17 Casual FTE). (Base)	18.8
7. Various small changes to Base Budget. (Base)	(103.3)
8. Boundary Alterations - the City of Regina extended the City's boundary on the west side with the boundary alteration comes increased costs associated with the new lands incorporated into the City limit (0.5 Permanent FTE). The increased staff is required in Bylaw enforcement. (On-going costs $37.5, One-time costs $800.5)	418.0
9. Intermunicipal Planning Director & Resources (3 permanent FTE's) - resources to develop and implement regional plans with the various Rural Municipalities that border the City of Regina. (On-going)	378.2
10. Increased staffing for the Building Standards Branch (4 Permanent FTE's) - due to growth in permit activities the additional staff are required to maintain service levels and achieve performance targets. The increased costs is covered by the Permitting Fees directly through application of the PHS Reserve. (On-going)	292.6
11. Increased staffing in the Neighbourhood Planning Branch (2 Permanent FTE's) to support the City's housing initiatives and implementation of a Comprehensive Housing Strategy. (On-going)	260.4
12. Implementation costs associated with increasing parking meter rates throughout the City (1 Permanent FTE) ($67.2 On-going and $166.1 One-time)	233.3
13. New Open Space (1 Permanent FTE & 1.56 Casual FTE) - as a result of subdivision development open space is added to the City's inventory consists of playgrounds, pathways, trees, shrubs and grass. The investment in required to maintain the new space within the same service standards. (On-going)	208.0
14. Infill Inspector (1 Permanent FTE) - there has been a significant increase in the amount of in-fill development with no dedicated resource to inspect these works. Adding this FTE will allow for proper inspections of in-fill activity. The revenues collected from the in-fill developments can be used to offset the additional cost for inspections. (On-going)	78.6

Analysis of Operating Expenditure Budget Changes (Continued)

Details	($000's)
15. Development Control Officer required due to Growth in development. (1 Permanent FTE) (On-going)	61.9
16. Bylaw Standards Officer required tom maintain the level of bylaw enforcement in the City as a result of growth. (1 Permanent FTE). (On-going)	61.5
17. Licensing Officer is required to maintain the managing the issuance, tracking and enforcing business licenses to resident & non-resident businesses in the City. (1 Permanent FTE) (On-going)	45.3
18. Conversion of a CAD Technician to a Coordinator, Business Systems Administration position to assist management with department activities related to strategy, budget, variance, human resources, training, communications and technology.	18.4
19. Creation of an additional Senior Assessment Appraiser to the Assessment Valuation Branch as a result of to keep up with assessment activities due to increased volumes by converting 1.5 FTE's in the Assessment & Taxation Branch. (Permanent FTE reduction of 0.5).(On-going)	14.4
20. Consulting Services - Servicing Agreement Fees (SAF) Major Policy Review & Downtown Development Levy. These fees are charged in order to reimburse the City for the capital costs associated directly or indirectly with new development. The cost of the review will be covered by the SAF Administration Fees captured through executed servicing agreements. (One-time)	250.0
21. North American Indigenous Games - cost of dedicated staff. (One-time)	95.1
2014 Budget	50,866.7

Note:
Base request funding – represents an increase in cost necessary to maintain current service levels.
Addition request funding – represents expenditures that would be ongoing past the current budget year.
Special request funding – represents one-time expenditures for the current budget year.

Capital Investment Program

To achieve the City's Vision the Community Planning & Development Division has estimated its total allocation of capital investments according to both Priority and functional Business Units as follows:

By Priority

				Budget Change	
Expenditures (000's)	2013 Budget	2013 Actual	**2014 Budget**	Dollar Change	Per Cent Change
Improving Quality of Life	17,120.0	3,205.5	**6,555.0**	(10,565.0)	(61.7)
Providing Quality Services	1,345.0	2,569.8	**3,550.0**	2,205.0	163.9
Supporting Growth	7,060.0	8,650.7	**22,000.0**	14,940.0	-
Total	25,525.0	14,426.0	**32,105.0**	6,580.0	25.8

By Business Unit

Expenditures (000's)	2013 Budget	2013 Actual	2014 Budget	Budget Change Dollar Change	 Per Cent Change
Real Estate					
Land Development	6,710.0	7,786.0	**22,000.0**	15,290.0	227.9
Community Services					
Recreation Facility Plan	185.0	805.8	**400.0**	215.0	116.2
Recreation Facilities & Equipment	325.0	386.9	**400.0**	75.0	23.1
North Central Shared Facility	-	-	**1,000.0**	1,000.0	100.0
Open Space					
Open Space Restoration	625.0	594.6	**600.0**	(25.0)	(4.0)
Open Space Upgrades & New Development	60.0	-	**1,150.0**	1,090.0	1,816.7
Planning & Sustainability					
City Centre Development	150.0	83.0	-	(150.0)	(100.0)
Official Community Plan	350.0	864.7	-	(350.0)	(100.0)
Regional Planning	-	699.5	-	-	100.0
Development Engineering					
Roadway Network Improvements	17,025.0	2,920.7	**6,555.0**	(10,470.0)	(61.5)
Other Transportation Projects	95.0	284.8	-	(95.0)	(100.0)
Total	25,525.0	14,426.0	**32,105.0**	6,580.0	25.8

Summary of Capital Investments

Details	**($000's)**
1. Land Development Projects - relate to the City's role in developing industrial land in Ross Industrial Park Phase II, North Argyle Land Development and other areas.	22,000.0
2. Recreation Equipment and Furnishings - replacement, revitalization and sustainability of recreation equipment and furnishings at Recreation Facilities.	400.0
3. Recreation Facility Plan - Athletic Fields/Sport Facilities Restoration, Repair and Upgrades.	400.0
4. North Central Shared Facility - The funding being requested from 2014 to 2016 will provide the City's contribution to finish the detailed design and allow for construction of the North Central Shared Facility. This unique facility will showcase a new service concept that will utilize an integrated approach to provide a variety of community based cultural, social, educational, recreational and health services in one facility.	1,000.0
5. Roadway Network Improvements & Other Transportation projects - consist of new road construction for locations approved as part of the Regina Road Network Plan. The majority of the locations are adjacent to new development areas and are partially funded by Servicing Agreement Fees.	6,555.0
6. Open Space Restoration includes irrigation system restoration, Muti-use Pathway Asphalt Recapping and Parks and Open Space Restoration.	600.0
7. Open Space Upgrades and New Development includes various streetscaping throughout the City.	1,150.0
2014 Budget	32,105.0

Regina Police Service

The information in this summary is based on the 2013 Operating Budget submitted to the Board of Police Commissioners.

Revenue Source ($000's)	2013 Budget	2013 Actual	**2014 Budget**	Budget Change Dollar Change	 Per Cent Change
Revenue					
Provincial Programs	5,809.8	6,239.1	**6,353.4**	543.6	9.4
Federal Programs	480.8	561.5	**398.8**	(82.0)	(17.1)
Other Police Revenue	1,521.3	2,322.3	**1,514.0**	(7.3)	(0.5)
	7,811.9	9,122.9	**8,266.2**	454.3	5.8
Expenses					
Salaries and Benefits	62,716.2	61,639.3	**65,614.6**	2,898.4	4.6
Corps of Commissionaires	389.5	375.7	**399.2**	9.7	2.5
Operational Expenses					
Headquarters	503.2	569.9	**753.0**	249.8	49.6
Criminal Investigation	706.2	1,176.7	**692.5**	(13.7)	(1.9)
Community Services	1,239.2	1,349.0	**1,233.2**	(6.0)	(0.5)
Administration	3,651.2	4,835.5	**4,354.4**	703.2	19.3
Total Operating Expenses	69,205.5	69,946.1	**73,046.9**	3,841.4	5.6
Transfer to Reserve	-	570.4	-	-	-
	69,205.5	70,516.5	**73,046.9**	3,841.4	5.6

Costing Fund Budget Summary

Overview

The Costing Fund was established to account for operations that are not part of either the General Fund or the Water and Sewer Utility Fund. The Costing Fund includes:

- Real Estate, which carries out all real estate-related services for the City. This includes buying and leasing properties when required for City operations, selling or leasing City-owned properties, performing land development functions, selling properties taken through tax enforcement, and providing advice to all city departments on real estate issues.
- Facilities Management Services which includes the day-to-day operation and maintenance of City-owned facilities.
- Fleet Services, which includes management and maintenance for the City's Civic, Transit and Fire fleets, as well as Central Stores and the Fuel Program.
- The Print Services and Computer Leasing operations in Information Technology Services. Print Services is an in-house print shop, with the objective of providing quality output in a timely and cost effective manner. This includes responsibility for output devices (copiers, multi-functional and networked printers) and desktop computers.
- Roadways Operations – provides for the maintenance and repair of roadway and sidewalk cuts made by the City's Water and Sewer Services. The costs of the repairs are charged to the Water and Sewer Utility Budget.
- Granular Materials Supply and Asphalt Plant Operations – purchases, inventories and processes granular materials, soils and other landscape products and recycled materials such as steel slag, crushed concrete and crushed asphalt. The Asphalt Plant produces a variety of asphalt mixes for paving, cut repair and patching.
- Open Space Landscape – this operation provides landscape services, with the costs charged to operating or capital budgets of other departments, or in some instances to external organizations.

Pursuant to the policy and a bylaw adopted by City Council, the net revenue generated by real estate transactions is transferred to the Land Development Reserve. The Land Development Reserve is the source of funds for acquisition of land for land development projects as well as funds for land development project costs.

For other operations in the Costing Fund, the purpose of the costing fund is to function as a cost distribution mechanism. All of the costs are allocated to other operating and/or capital budgets.

Costing Fund Summary ($000's)

Expenditures	2013 Budget	2013 Actual	2014 Budget	Budget Change Dollar Change	Budget Change Per Cent Change
Corporate Services:					
Fleet Services	29,542.0	26,292.6	**31,485.7**	1,943.7	6.6
Facilities Costs - Fleet Services	484.9	434.2	**484.8**	(0.1)	(0.0)
Total Fleet Services Costs	30,026.9	26,726.8	**31,970.5**	1,943.6	6.5
Information Systems	1,619.1	1,525.8	**1,570.4**	(48.7)	(3.0)
Facilities & Energy Management	4,558.9	4,395.2	**4,498.1**	(60.8)	(1.3)
Total Corporate Services	36,204.9	32,647.8	**38,039.0**	1,834.1	5.1
City Operations:					
Granular Material & Asphalt Plant	7,049.6	7,330.0	**4,695.9**	(2,353.7)	(33.4)
Facilities Costs - Granular Material & & Asphalt Plant	43.9	67.8	**42.5**	(1.4)	(3.2)
Total Granular Material & Asphalt Plant	7,093.5	7,397.8	**4,738.4**	(2,355.1)	(33.2)
Roadway Operations	1,284.6	2,414.3	**1,151.0**	(133.6)	(10.4)
Open Space - Landscape	1,443.9	1,945.9	**1,456.7**	12.8	0.9
Total City Operations	9,822.0	11,758.0	**7,346.1**	(2,475.9)	(25.2)
Community Planning & Development					
Real Estate	3,043.9	19,288.2	**3,398.8**	354.9	11.7
Facilities Costs - Real Estate	1,231.4	1,217.9	**1,276.5**	45.1	3.7
Total Planning & Development	4,275.3	20,506.1	**4,675.3**	400.0	9.4
Costing Fund Total Expenditures	50,302.2	64,911.9	**50,060.4**	(241.8)	(0.5)

Staff Complement

The table below provides a summary of the staff complement reflected in the Costing Fund Budget for 2012 and 2013.

The staff complement in the table does not include positions funded through other budgets, including the Water and Sewer Utility Budget, the General Operating Budget or the General Capital Budget.

Full Time Equivalents	**2013**	**2014**
Permanent	141.6	139.6
Casual	24.4	24.4
Total	166.0	164.0

Revenues	2013 Budget	2013 Actual	**2014 Budget**	Budget Change	
				Dollar Change	Per Cent Change
EXTERNAL REVENUE					
Corporate Services:					
Fleet Services					
Claims Revenue	97.2	85.9	**97.2**	-	-
Natural Gas	9.0	18.0	**9.0**	-	-
Other	-	-	**-**	-	-
Total Fleet Services	106.2	-	106.2	-	-
Information Services - Misc Printing	1.0	0.2	**1.0**	-	-
Facilities - Claims Revenue	-		**-**		
Total Corporate Services	107.2	0.2	**107.2**	-	-
City Operations:					
Granular Material & Asphalt Plant					
Pavement & Concrete Cuts	219.1	-	**219.1**	-	-
Roadway Operations					
Asphalt Revenue	378.5	196.4	**403.5**	25.0	6.2
Miscellaneous	100.0	143.0	**100.0**	-	-
Parks and Open Space					
Miscellaneous	-	1.6	**-**	-	-
Total City Operations	478.5	-	**503.5**	25.0	5.2
Total City Operations	697.6	341.0	**722.6**	25.0	3.6
Community Planning & Development					
Real Estate					
Land Sales	3,102.8	18,128.5	**3,502.8**	400.0	12.9
Facility Rental	1,074.5	2,297.3	**1,074.5**	-	-
Farm Land Rental	93.0	67.6	**93.0**	-	-
Interest	5.0	11.8	**5.0**	-	-
Total Planning & Development	4,275.3	20,505.2	**4,675.3**	400.0	9.4
TOTAL EXTERNAL REVENUE	5,080.1	20,846.4	**5,505.1**	425.0	8.4
INTERNAL COST ALLOCATIONS					
Fleet Services	29,920.7	31,898.6	**31,864.3**	1,943.6	6.5
Information Services	1,618.1	1,525.0	**1,569.4**	(48.7)	(3.0)
Facilities and Energy Management	4,558.9	4,395.2	**4,498.1**	(60.8)	(1.3)
Granular Material & Asphalt Plant	1,065.5	2,414.3	**931.9**	(133.6)	(12.5)
Roadway Operations	6,615.0	13,673.5	**4,234.9**	(2,380.1)	(36.0)
Saleable Property	-	-	**-**	-	-
Lease Management	-	-	**-**	-	-
Parks and Open Space	1,443.9	1,944.3	**1,456.7**	12.8	0.9
TOTAL INTERNAL COST ALLOCATIONS	45,222.1	49,238.3	**44,555.3**	(666.8)	(1.5)
Total Costing Fund	50,302.2	70,169.8	**50,060.4**	(241.8)	(0.5)

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